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REPORT

of the

Special Advisory Committee

on the

Industrial Housing Scheme

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NOTE.—Final Report of the Special Advisory Committee on the Industrial Housing Scheme on the reference made to it by Government in letter No. S.D.—1313, dated 25th August 1924, from the Acting Secretary to Government, Development Department (Appendix B).

Under the terms of reference the Committee are to enquire into the activities of the Development Department and to report to Government as to how far, and in what directions, such activities should be continued or eliminated. The report now submitted deals with the Industrial Housing Scheme.

The Committee for the purpose of this inquiry, hereafter referred to as the Special Committee, consists of the Advisory Committees for Bombay City and the Bombay Suburban Division (Appendix C) with the Addition of Mr. A. N. Surve, who was appointed an additional member under Government Resolution No. S. D.—9, dated the 5th January 1925, for the special purposes of this investigation.

THE INDUSTRIAL HOUSING SCHEME

The programme for the construction of 50,000 single-roomed tenements for the working classes was based on a report of the Municipal Commissioner to the Corporation in 1919. It was estimated that in July of that year there was an actual shortage of some 49,000 one-roomed tenements in the City. The figure was arrived at by taking the then population at 11,76,000 deducting 60,000 for persons returned as homeless under the heads, docks, harbours and rai'ways, and assuming that 80 per cent. of the balance lived in one-roomed tenements. The actual number of one-roomed tenements was calculated to be 1,74,200.

2. The census figures of 1921 now available enable these calculations to be checked. Taking the figures in table VI-A in Volume IX, Part II, the following comparison may be made :—

Year	Total population	Total number of one-roomed tenements	Total number of occupants of one-roomed tenements	Percentage borne by them to total population	Average number of occupants per room
	2	3	4	5	6
1921, actual	11,75,914	1,75,001	7,05,732	66	4·03
1919, estimated	11,76,000	1,74,200	8,92,800	80	..

The number of persons, 8,92,800 entered in column 4 for 1919, is 80 per cent. of the total population (column 2), after deducting 60,000 as "homeless." Taking the standard of occupation per room as four persons, the number of one-roomed tenements required for 8,92,800 persons is 2,23,200 or 49,000 more than the number shown in column 3.

3. The census figure for 1921 for total population (11,75,914) is practically identical with the estimate made of populatin in 1919; also the number of one-roomed tenements estimated in 1919 is close to the actual ascertained number in 1921.

4. It will be seen that the only discrepancy between the estimates of 1919 and the census figures of 1921 related to the total number of occupants of one-roomed tenements. It has to be borne in mind, however, that the figures in columns 4 and 5 for 1921 are not normal. There was in that year serious overcrowding as was proved by the fact that wherever Directorate chawls were opened for the first time, there was, even in 1923, a rush to secure accommodation. In 1921 large numbers of the class which normally reside in one-roomed tenements were living in two and three-roomed tenements, that is to say, two or more families were living in a two-roomed tenement and three or more families in a three-roomed tenement. All that the census of 1921 showed was that the percentage of the population requiring one-roomed tenement was something more than 66 per cent. Whether it was as much as 80 per cent. is open to discussion. It was satisfactory, however, that even during the overcrowding of 1921 the census showed that the average number of occupants per room was not higher than 4·03.

5. The census figures suggested caution, however, and as, after a certain point, the rush of tenants ceased, Government decided in 1924 that it was necessary to gain further experience when the 211 chawls (16,864 rooms) then under construction were completed, before fresh schemes were embarked on.

The chawls now finished and ready for occupation are as follows :—

Locality	Chawls
Naigaum	42
DeLisle Road	32
Worli	121
Sewri	12
	207

6. More than one member of our Committee, in dissenting minutes to our *interim* report, had advocated a reduction in the rent of the tenements, and Government introduced the following revised scale with effect from the 1st May 1925 at DeLisle Road, Naigaum and Worli, and with effect from the 1st October 1925 at Sewri :—

——	DeLisle Road	Naigaum	Worli	Sewri
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ground floor rooms	9 8	8 8	6 8	8 8
First floor rooms	10 0	9 0	7 0	8 8
Second and third floor rooms ..	10 8	9 8	7 8	8 8

An extra rental of Re. 1 per room is charged for certain corner rooms.

7. Two subsequent reductions of rent have since been made, the most recent scale, which came into effect on 1st October 1926, being as follows :—

	Ground, first and second floors	Third floor
	Rs. a.	Rs. a.
DeLisle Road	9 8	9 0
Naigaum	8 8	8 0
Sewri	7 0	6 8
Worli	6 0	5 8

At these rents the annual revenue is calculated as follows, allowing 10 per cent. for vacancies and bad debts :—

	Rs.
Income from rents	12,49,388
Cotton cess	16,33,700
Total ..	28,83,088

No allowance is made in these figures for extra revenue from shop rents and other rents above concession rents.

8. The expenditure is estimated as follows :—

Expenditure

	Rs.
Interest	21,25,062
Sinking Fund	1,43,792
Management and establishment	1,62,000
Accounts establishment	12,000
Repairs, etc.	2,07,000
Engineer's establishment	40,400
Stores, sanitary, etc.	20,000
Rent at Sewri	14,000
Secretariat and Audit	12,000
Commission to rent collectors	12,500
Municipal taxes	1,98,792
Total ..	29,47,546

resulting in an annual deficit of Rs. 64,458.

9. A statement showing the progress of the letting of the tenements, current demand, recoveries and arrears is attached to this report as Appendix A. It will be seen that the result of the reduction in the rents in 1925 was disappointing, for although a few hundred more tenants were obtained, the assessed rent roll increased only slightly. In April 1925 the rent roll for 3,192 tenants was Rs. 37,510, whilst in August the rent roll for 3,794 rooms was Rs. 39,746. The position subsequently became worse as a result of the mill-strike and in December 1925 the number of rooms let had fallen to 2,707 with a rent roll of Rs. 28,642. During 1926 the position has steadily improved and the total number of tenants in September 1926 was 5,060 with a rent roll of Rs. 43,457 and the number of rooms let seems likely to increase by the end of the year. Assuming 6,000 rooms let, there will be a loss of about Rs. 9,45,650 per annum if rents remain on the scale brought into force on 1st October 1926. In other words the share of the cost of the scheme borne by taxation will meantime be Rs. 16 $\frac{1}{3}$ lakhs from the cotton cess and about Rs. 9,45,650 from other sources.

10. It remains to consider what prospects there are of the chawls being filled up. The greatest number of vacancies is at Worli, which is by far the largest scheme comprising 121 chawls, and was for a time noticeably deficient in the matter of communications, lighting, and police protection. Communications still require improvement.

11. We have considered a proposal that, as an experiment, one chawl in each scheme should be converted into two and three-roomed tenements, with separate water taps for each tenement, and connecting doors between the rooms. The cost is estimated at about Rs. 3,700 per chawl and at the rents proposed, *viz.*, Rs. 12 per room at DeLisle Road, Rs. 11 per room at Naigaum and Rs. 9 per room at Worli, the cost of conversion will be recovered in two years. The idea is to attract, if possible, the better paid members of the working classes who require more accommodation than a single room. We have approved of the proposed limited experiment, but consider that the converted tenements should be let only to paid workers or employees. Since the experiment was approved, rents have been reduced from 1st October 1926 as under :—

Rs. 9-4-0 for top floor room at DeLisle Road.
,, 8-4-0 for top floor room at Naigaum.
,, 9-12-0 for other floors at DeLisle Road.
,, 9-4-0 for other floors at Naigaum.

The rents for two and three-roomed tenements will be these units multiplied by the number of rooms in the tenement.

12. Within the last year lighting arrangements have considerably improved the chawl areas, but police protection is still inadequate, especially at Worli. The Committee recommend to Government that they should proceed without delay with the police accommodation scheme at Worli, for which they had obtained a plot from the City Improvement Trust, which was subsequently surrendered. Communications with Worli require to be improved by an extension of the Tramway system from Jacob's Circle *via* Haines Road and the new overbridge at Mahaluxmi. The Committee trust that no consideration will be allowed to delay the provision of this necessary facility. The recent opening of more schools by the Municipality at Worli, DeLisle Road and Naigaum will tend to make these areas more popular. Shops in all areas and a market at Worli have also improved the local conveniences.

13. Whilst we approve of the policy of progressive reduction of rent adopted by Government we urge strongly that measures should be devised in order that rents may be further brought down below the rates given in paragraph 7 above. According to the rent returns included in the working class budgets published by the Labour Office in 1923, at least 80 per cent. of working class families paid in 1920-21 and 1921-22 a rent not exceeding Rs. 5-8-0 per mensem. Although rents have risen since 1920-21-22, these figures have a bearing on the rental question. The crux of the problem is at Worli, where there are at present only 1,281 tenants for 9,680 rooms. If the number of rooms in this area is far in excess of the present day requirements of the locality, then even a substantial reduction in rents may not greatly modify the position. We recommend that an effort should be made to lease blocks of chawls on maintenance leases to large employers of labour like the railways. This course would eliminate overhead charges and losses from

vacancies and bad debts, and thus enable Government to lease whole chawls at Worli at a rent below Rs. 4 per room per mensem and possibly as low as Rs. 3-8-0. It is understood that Government have recently approved of an offer of whole chawls at Worli and Naigaum to employers of labour at lump sum rents which work out to a flat rate of Rs. 4-14-9 per room, per month, at Worli and Rs. 7 at Naigaum. Such terms might prove attractive. In any event, we are of opinion that measures should be taken to make possible a further reduction of rents for ordinary tenants. The dominant items in the financial statement in paragraphs 7 and 8 are the interest charges, and the receipts from the town duty on raw cotton. The interest charges are taken at 6·21 per cent. which is the average rate now paid on all the Development Department loans. This is a very high rate at the present time and conversion to a lower rate would make practicable a further reduction of rents. For example, a reduction of 1 per cent. in the rate of interest would effect a reduction of Rs. 1-12-0 per room per mensem in all areas or, if the Worli area alone were dealt with, a reduction of nearly Rs. 3 per room per mensem for all the 9,680 rooms in that area.

14. As regards the town duty on raw cotton, we are opposed to its increase as a measure for the further reduction of rents. We are indeed apprehensive of the effect which the cotton cess is having on the trade of Bombay, including the mill industry. As the cess has now been in force for five years and it seems possible to estimate its effects, the Committee suggest for the consideration of Government that an investigation of these effects should be made by a competent and representative committee.

15. The earlier chawls erected evoked some criticism on account of the fixed sunshades which rendered the rooms rather dark, and all the later chawls were, in consequence, provided with windows of normal shuttered type. The blocks first built have also been altered to the same design. All rooms are provided with *nahanis*. We have inspected the chawls and are of opinion that as now modified they afford exceedingly good accommodation for the class for which they are intended. We are also of opinion that, except for the initial dampness common to all new buildings, there is no foundation for the allegations that the buildings are unhealthy by reason of their design or the materials used in construction. On the contrary, the areas are unusually healthy and we think that, on the whole, no better locations could have been selected. At the same time the proximity of the so-called storm-water drain, which is really an open sewer, to the east of the Worli chawls constitutes a serious nuisance, and the Committee would urge that very early steps should be taken to improve matters. The map which accompanies this report shows the position of the chawl sites in relation to the mills and it will be seen that the great majority of the latter are within a mile of one or other of the chawl sites.

16. The cause of the present lack of tenants appears to be a decrease in the population of Bombay City. Even before the exodus due to the mill-strike in September 1925, the mortality statistics for the preceding eight months indicate a fall, which may be as much as 1,50,000 in the numbers of population since 1921. If the census figures of 1921 are followed, at least two-thirds of those who have left the city must have lived normally in one-roomed tenements. Their return would call into demand 25,000 rooms, whereas the vacancies in the Development chawls at the present date are under 11,484. We advocate letting out of a certain number of chawls on the contract system. Contractors are familiar with the needs of the tenants and have means of attracting them, which are not open to a Government Department, by catering for their tastes by the provision of such amenities as " Hari Kirtans, " Akhadas, " etc. We think it would be advisable to experiment with a few chawls on the contract system, side by side with the departmental system, with a view to test the practical effects of the two methods.

17. We desire to call attention to the difference between the final cost according to the revised project estimate of Rs. 2,084 per room and the original estimate of Rs. 1,100 per room given in 1920, when the Bill for the levy of the town duty on raw cotton was introduced in the Legislative Council. We do not comprehend why, when Government found that the original estimates were certain to be largely exceeded, the facts were not fully described and the financial effects on the housing scheme explained to the public, as should be the normal procedure in launching a scheme of this magnitude. The original estimate of the loss to be

covered on 50,000 tenements was Rs. 13½ lakhs, whereas on the figures given in paragraph 7 above, the sum of Rs. 16⅓ lakhs is required to cover the loss on 16,544 tenements and even this figure will be exceeded till the losses due to vacancies and bad debts are reduced to 10 per cent. of the gross rental.

18. We invite attention to appendix A showing the progressive increase in arrears, which now amount to Rs. 1,15,808 exclusive of the amount of Rs. 1,55,745 written off or believed to be irrecoverable. We are aware that the operation of the Rent Act and the mill strikes of 1924 and 1925 were important factors in the accumulation of these arrears, but we desire to emphasise the fact that unless the rate of increase of arrears is checked, the allowance of 10 per cent. for vacancies and bad debts in the financial statement in paragraph 7 must be raised.

19. We recognise that housing conditions in Bombay are to some extent artificial at present, and that a return to normal conditions to supply and demand may cause a change in the outlook. In view, however, of the annual loss being incurred on the chawls already built, we agree with Government that the construction of further chawls should not be undertaken.

(Signed) H. A. L. HEPPER.
(,,) W. H. NEILSON.
(,,) G. C. RICHARDSON.
(,,) R. H. A. DELVES.
(,,) FAZAL I. RAHIMTOOLA.
(,,) C. J. HANSOTI.
(,,) JANMAYJAY CHUBILDAS.
(,,) V. A. DABHOLKAR.
(,,) D. D. RODRIGUES.
(,,) S. K. BOLE (subject to a minute of dissent).
(,,) L. U. MONGINI.
(,,) Ig. D'MONTE.
(,,) A. N. SURVE (subject to a minute of dissent).
(,,) JEHANGIR B. PETIT (subject to a minute of dissent).
(,,) J. BAPTISTA (subject to a minute of dissent).

(Signed) H. St. C. SMITH,
Secretary to the Directorate of Development.
11th December 1926.

APPENDIX A

Statement showing number of tenants, current demand, total recoveries and arrears of rent since the opening of the Directorate chawls in December 1922

Month	Number of tenants	Current demand of the month	Total recoveries during the month	Percentage of column (4) on column (3)	Arrears at the end of the month
1	2	3	4	5	6
1923					
January	282	4,079	2,279	55·89	1,740
February	587	6,828	4,363	63·89	4,203
March	1,040	16,830	9,606	57·07	7,949
April	1,294	11,876	12,953	109·07	6,872
May	1,447	14,919	15,356	102·92	6,424
June	1,755	17,999	16,153	89·74	8,170
July	1,965	20,066	18,021	89·80	10,215
August	2,195	21,926	21,250	90·69	13,089
September	2,303	23,255	18,385	79·05	17,954
October	2,345	23,921	20,914	87·42	20,965
November	2,372	24,033	10,623	44·20	27,322
December	2,396	24,456	12,720	52·01	39,112
1924					
January	2,563	25,958	25,663	98·86	39,421
February	2,609	27,545	12,335	44·78	48,153
March	2,707	21,294	12,908	60·61	70,139
April	2,896	30,465	18,753	61·55	81,521
May	3,298	33,566	27,357	81·50	87,730
June	3,617	37,900	31,496	83·10	94,033
July	3,770	40,954	29,520	72·08	1,05,583
August	3,945	42,959	34,489	80·28	1,17,292
September	3,991	43,958	32,211	73·27	1,29,013
October	4,101	44,797	30,927	69·03	1,42,982
November	3,922	42,265	29,506	69·81	1,55,775
December	3,635	40,814	34,429	84·35	1,62,157
1925					
January	3,478	39,291	29,662	75·49	1,72,811
February	3,146	36,651	32,557	88·83	1,78,351
March	3,198	36,797	37,282	101·31	1,77,616
April	3,192	37,510	33,639	89·68	1,81,340
May	3,249	34,928	33,889	97·03	1,83,173
June	3,615	37,959	36,349	95·75	1,84,635
July	3,741	38,910	32,714	84·08	1,89,789
August	3,794	39,746	39,852	100·27	1,89,735
September	3,918	39,206	23,809	60·72	2,03,364
October	3,257	32,465	19,669	60·58	2,15,646
November	2,831	29,420	18,802	63·90	2,26,198
December	2,707	28,642	17,518	61·16	2,38,089
1926					
January	3,055	31,089	25,782	82·93	2,43,497
February	3,238	32,457	32,238	99·32	2,43,455
March	3,396	33,266	33,503	100·71	2,43,606
April	3,602	34,206	31,024	90·69*	2,47,004*
May	3,861	36,153	33,380	92·33*	1,77,480*
June	4,216	38,745	33,699	86·98*	1,80,265*
July	4,453	39,474	40,168	101·75*	1,79,364*
August	4,842	41,722	38,381	91·99*	1,22,363*
September	5,060	43,457	37,629	86·58*	1,15,808*

Note.—Out of the total arrears of Rs. 1,15,808 (exclusive of the amount of Rs. 1,55,745 written off or believed to be irrecoverable) at the end of September 1926, it is estimated that Rs. 53,470 are irrecoverable and Rs. 62,338 are recoverable.

APPENDIX B

Copy of letter No. S.D.-1313, dated the 25th August 1924, from the Acting Secretary to Government, Development Department, to the Acting Director of Development.

" In the last session of the Legislative Council there were a number of resolutions regarding the operations of the Development Directorate which were not discussed for want of time. The principal of these resolutions stood in the name of Mr. Lalji Naranji and the first part of it was to the following effect :—

> ' That in view of the conclusions arrived at during the period of war boom that the land available in Bombay was inadequate having proved erroneous, this Council recommends to Government that a committee, with a non-official majority, be forthwith appointed to enquire into the activities of the Development Department as to how far and in what directions such activities should be continued or eliminated. ' "

2. I am directed to inform you that Government see no objection to the part of the resolution quoted above being considered and reported on by a committee. Mr. Lalji Naranji has suggested a committee with a non-official majority. The Advisory Committee appointed in connection with the Development Department is a very representative body and Government are of the opinion that this committee should be entrusted with the investigation of this very important question. I am directed to request that the matter should be placed before the committee and that they should be asked to report upon it. For this purpose the committee should be supplied with all the necessary facts and figures.

3. The whole position of the Development Department has had the very serious consideration of Government and Government have already reached conclusions and taken action in several matters. It would be most useful to know how far the Advisory Committee agree with Government in the views which they have already formed and whether the Committee would propose that Government should further curtail their activities."

APPENDIX C

NAMES OF THE MEMBERS OF THE ADVISORY COMMITTEES FOR BOMBAY CITY AND THE BOMBAY SUBURBAN DIVISION

Bombay City

	Name of Member	Constituency
1.	Sir Lawless Hepper, Kt.	Director of Development (Chairman).
2.	Sir Vasantrao A. Dabholkar, Kt., O.B.E.	Municipal Corporation for the City of Bombay.
3.	Fazal Ibrahim Rahimtoola, Esquire	Do. do.
4.	R. H. A. Delves, Esquire, F.S.I.	Chief Officer, City of Bombay Improvement Trust.
5.	Major G. C. Richardson	Chamber of Commerce, Bombay.
6.	Jehangir Bomanji Petit, Esquire	Millowners' Association, Bombay.
7.	Manu Subedar, Esquire	Indian Merchants' Chamber.
8.	L. U. Mongini, Esquire	Bombay Presidency Trades' Association.
9.	W. H. Neilson, Esquire, O.B.E.	Chairman, Bombay Port Trust.
10.	Sitaram Keshav Bole, Esquire	Working Classes in Bombay.
11.	Joseph Baptista, Esq., L.C.E. (Bom.), B.A., LL.B. (Cantab.), Bar.-at-Law.	Do.

Bombay Suburban Division

12.	Ig. D'Monte, Esquire	Bandra Municipality.
13.	D. D. Rodrigues, Esquire	Kurla Municipality.
14.	C. J. Hansoti, Esquire	Ghatkopar-Kirol Municipality.
15.	Janmayjay Chubildas, Esquire, M.A. (Cantab.).	Notified Area Committees.

Added as per Government Resolution No. S.D.—9, dated the 15th January 1925.

16. A. N. Surve, Esquire, B.A., LL.B.

Minute of dissent by Mr. Joseph Baptista

I agree generally with the report. I am afraid that the first four paragraphs are calculated to convey an erroneous impression concerning the shortage of one room tenements and the resulting overcrowding. Seven years ago the Municipal Commissioner for the City of Bombay in a letter to the Standing Committee of the Corporation of Bombay submitted " a rough estimate of the shortage of one room tenements in Bombay." He anticipated a shortage of 49,000 one-room tenements in 1919. He was of opinion that in 1919 Bombay would have a population of 11,76,000, and 1,74,200 one-room tenements. Though this over shot the mark for 1919, it turned out to be remarkably approximate for 1921. The census of 1921 disclosed a population of 11,75,914 and 1,75,001 one-room tenements. In arriving at a shortage of 49,000 the Commissioner deducted 60,000 as non-residents under the heading of " Docks, Railways, Harbours and Homeless, " and allowed 4 persons per room for 80 per cent. of the total population, *minus* 60,000. Upon the same bases the shortage for 1921 according to the census statistics would be 48,182. It must, however, be observed that the deduction of 60,000 is not justified by the census of 1921. Only 38,072 can be classified as non-resident. There would therefore be 21,928 persons requiring housing. At the rate of 4 persons per room an additional provision of 5,482 one-room tenements must be made. But this does not exhaust the demand. The Commissioner specifies " 6,000 huts which ought to be replaced by more permanent structures, " and 9,000 rooms " for replacing tenements *unfit for human habitation.* " Instead of the Commissioner's 6,000 huts in 1919 the census records 9,084 huts in 1921. Under the circumstances the real shortage in 1921 was 48,182 *plus* 5,482 *plus* 9,084 for huts, *plus* 9,000 for unfit rooms, making a total shortage of 71,748 one-room tenements. This represented the housing problem in 1921. What has been done ? It may be conceded that the normal rate of increase has been maintained independent of the activities of the Development Department. According to the Commissioner's calculation based on known figures, the increase takes place at the rate of nearly 980 one-room tenements per annum. In five years this would give us 4,900 rooms. *Add* the number of tenements provided by the Directorate namely 16,544 rooms. This makes an increase of 22,026 one-room tenements by 1926 against a total deficit of 71,748 rooms in 1921. The present population has doubtlessly gone down due to the migration caused by trade depression, but this can only be a temporary fall. It does not justify any cessation of building activity. It affords more time for solving the problem and furnishes an excellent opportunity for reducing existing overcrowding and encouraging a higher standard of housing by lowering rents in the chawls of the Development Directorate.

The overcrowding is a deplorable feature of the state of affairs in the City. The Commissioner examined 238 houses in 1919 and found them occupied by 51,525 persons, whereas the maximum number of persons ought not to have exceeded 27,307. In the B Ward there were 10,200 occupying 36 tenements against the allowable number of 4,400, *i.e.*, nearly $2\frac{1}{3}$ times the allowable number. According to the census of 1921 the average number of persons per room was 4·03. This is better than 4·20 of 1901 or 4·47 of 1911, but it compares unfavourably with 3·39 of Ahmedabad and 1·92 of London (1911). As a matter of fact there were 3,121 one-room tenements containing more than one family. Table VI B shows that there were 1,955 one-room tenements containing two families, 658 with 3 families, 242 with 4 families, 136 with 5 families, 43 with 6 families, 34 with 7 families, and 58 with 8 families and over. No doubt in some of these cases the overcrowding is only technical, *e.g.*, a *dharmasala* containing a large number of persons in one large hall. The census report says :—" There are 21 cases of railway properties in which there are one-room tenements with more than five families in a room. Probably most, if not all, of these are technical only ". Nevertheless the figures quoted above clearly demonstrate the deplorable overcrowding.

The poverty of the people is revealed by the number of people occupying one-room tenements. No less than 7,05,732 persons out of 11,75,914 occupy one-room tenements. The percentage has fallen from 81 of 1901, and 69 of 1911 to 66 of 1921, but it compares unfavourably with 52 of Ahmedabad and 6 of London (1911). The fall is gratifying, but it is a mistake to suppose that the standard of occupation has improved. The truth is that persons were driven to occupy two-

room tenements for want of one-room tenements. Two or more families shared one tenement. This is admitted in paragraph 4 of the report :—

" In 1921 large numbers of the class which normally reside in one-room tenements were living in two or three-room tenements, that is to say, two or more families were living in a two-room tenement, and three or more families in a three-room tenement. " This explains the phenomenon that only 66 per cent. instead of 80 per cent. occupied one-room tenements. Unfortunately the census does not tell us the number of such co-occupation in two-room tenements as it tells us in the case of one-room tenements. I will not speculate upon the evils of co-occupation without privacy. It is prejudicial both to the health and morals of the occupants. It is evident that the housing conditions in Bombay are deplorable perhaps a little less deplorable than when Sir Thomas Holland was moved to exclaim that he would rather see the mill industry of Bombay wiped out of existence than suffer the continuance of such conditions. I am, therefore, of opinion that every advantage should be taken of the present fall in population, and the vacancies in the Development Directorate chawls and every effort made to encourage and stimulate a higher standard of occupation. There are 9,680 rooms in the Worli chawls, of which 1,281 are occupied. At the rate of Rs. 4 per room these empty rooms would fetch Rs. 4,03,152 against nil. Allowing for municipal taxes and cost of collection, it seems to me more profitable to let the rooms at Rs. 4 per room than to let them remain vacant. I suggest the reduction of rent to Rs. 4 (four) per mensem to attract tenants from unfit and overcrowded rooms. When these tenants have appreciated the benefit in health from the well-ventilated Worli chawls facing the occean on the western shore, they will be more willing to pay a higher rent. Then the rent can be gradually increased to Rs. 5-8 per mensem and thus bring it within the means of the working class of whom 80 per cent. according to the Labour Office, pay a rent of Rs. 5-8 only (*vide* paragraph 13 of the report).

More money is required for solving the housing problem. The present rate of interest is 6·21 per cent. This is very high. The rate is falling, but I strongly advocate the raising of loans at low rates of interest on the system of premium bonds. This could yield double the amount for the same amount of interest. Moreover, I strongly advocate the conversion of loans with high rate of interest to loans with low rates of interest. Legal powers should be obtained as a drastic measure for the exceptional cases of high interest which became obligatory under war conditions.

I am not satisfied that the cost of management and establishment (Rs. 1,62,000) and repairs (Rs. 2,07,000) cannot be considerably reduced. A better system of vigilance ought to bring the cost of repairs under one lac of rupees.

I do not like this irrelevant excursion into the effect of the cotton cess on the trade of Bombay contained in paragraph 14. The merchants and millowners are quite capable of taking care of themselves without the intrusive solicitude of the committee. Evidently the capitalists leave no stone unturned.

Minute of dissent by Mr. J. B. Petit

I have signed the report subject to a minute of dissent. I wish specially to draw the attention of the Government to paragraph 14 of the report regarding the continuance of the Town Duty on raw cotton, which is, as mentioned in the paragraph under reference, having a harmful effect on the trade of Bombay, including the mill industry. I further wish to give expression to the views of the Millowners' Association whom I represent on the Development Board, that the time has now come when the Duty should be altogether abolished or at least substantially reduced for the following amongst other reasons.

When it was imposed, the cotton trade and industry were assured that the income thereof was to be applied towards the erection in Bombay of 50,000 one-room tenements for the use of the labouring population of the City. The number of these tenements has now been reduced to about a third of the original number, owing to reasons with which the industry and the trade have nothing to do; and it is not fair to call upon them to go on contributing in the same proportion when only a third of the programme has been completed. Under these altered conditions I think the cotton trade and industry are justified in demanding that the tax should be altogether abolished or at least substantially reduced.

Minute of dissent by Mr. S. K. Bole

I am in general agreement with the report excepting several statements made in paragraph 15 thereof. It states that the chawls " afford exceedingly good accommodation for the classes for which they are intended ". I do not agree with this statement. As in the beginning the chawls were let indiscriminately. The working classes in their native country live in separate houses and each caste lives in a particular locality. Thus the Marathas will be found to live in one part of the village and the Mahomedans in the other. This arrangement helps them to live in the manner of life which their religious notions dictate and without offending the susceptibilities of their neighbours of another religion. But in the Development chawls there was no restriction as to the caste or creed of the occupants. It is only the other day that I am given to understand that rooms on the same floor are let to tenants of the same religion whose modes of living approximate or harmonise. If this is so and continued in future it will remove one of the causes that prevented people from occupying these chawls.

The Committee express their satisfaction at the design and the material used in construction of these chawls. It is true that bitter and severe criticism has led to certain improvements but what is fundamentally wrong cannot be corrected by subsequent additions and alterations. The barrack type of the chawls is open to criticism. Those huge piles which are supposed to accommodate people of different castes, religions, languages and of different parts of the country are bound to affect the occupants' freedom of action and happiness of life. I am of opinion that separate cottages and not these mammoth edifices would have met the requirements of the working classes.

My opinion on the location of the chawls is that in the present state of communication and amenities they are inconveniently located.

I am glad that Government have reduced the rents which were very prohibitive in the beginning. They also intend to reduce the rents still further if the chawls are taken by employers of labour on lease. But I humbly submit that whilst letting the chawls to employers Government should see that they will remain strike-free chawls.

Minute of dissent by Mr. A. N. Surve

I venture to write this minute of dissent because my views on some points are different from those held by the majority of the Joint Advisory Committee. These points refer to matters of principle and relate to the vital interests of the labouring classes for whose benefit the Industrial Housing Scheme was undertaken. With due respect to my colleagues on the committee I beg to differ from them on the following main points, *viz.* :—

(1) The object of the Industrial Housing Scheme;
(2) Scale of rents;
(3) Leases of chawls to Employers of Labour; and
(4) Other minor points.

2. With reference to the first point, *viz.* :—the object of the Industrial Housing Scheme—in paragraphs 1 to 5 of the report the majority appear to suggest, that the shortage of tenements and consequent congestion drove Government to undertake the Industrial Housing Scheme, that the shortage was NOT REAL, therefore the decision taken by Government in 1924 in respect of suspension of construction of further chawls was justified. I differ from them.

3. When the draft of the report was under discussion before the committee I had submitted two notes for consideration, urging the elimination of these paragraphs on the grounds that they do not lead to definite conclusions and unhappily they suggest wrong inferences.

4. The Majority assume that the object of the Housing Scheme was to SUPPLY THE DEFICIENCY OF A PARTICULAR NUMBER OF TENEMENTS and with that idea in view they embark upon an inquiry to test the correctness of the report submitted by the Municipal Commissioner to the Corporation in 1919. Why they have been imposing this duty upon themselves will become apparent if the recommendations which they made or proposed to make at different times are read together.

Recommendation No. 1

"It has not been laid down *that no further schemes are to be taken up, but merely that such are not to be started until the chawls now in hand are finished and ready for occupation.*"

(Interim Report—1925—Paragraph 23.)

Recommendation No. 2

"In view, however, of the annual loss being incurred on the chawls already built, we agree with Government that the construction of further chawls *should be postponed for the present.*"

(First Draft of the present report—Unpublished.)

Final recommendation

"In view, however, of the annual loss being incurred on the chawls already built, we agree with Government *that the construction of further chawls should not be undertaken.*"

(Present Report, paragraph 19, last sentence.)

5. Paragraph 14 of the present report which refers to the Town-duty on raw cotton supplies an explanation about the unsympathetic—not to say hostile attitude of some of the members to the Housing Scheme, and their anxiety to see that it is ABANDONED. They will perhaps make their position clear in their dissenting minutes, therefore I forbear from making further comments. But I note down that in addition to the causes enumerated by the majority for abandoning the housing scheme the eagerness on the part of some of the members to have the Town-duty on raw cotton removed is also one.

6. The grounds on which the Majority base their recommendation of not undertaking construction of further chawls are two, *viz.* :—

A. that even during the over-crowding of 1921 the census showed that the average number of occupants per room was not higher than 4·03.

and

B. that the annual loss is being incurred on chawls already built, as a result of their non-occupation by tenants.

7. *As to ground A.*—The satisfaction expressed by the majority that the average number of occupants per room is not higher than 4·03 is ill-founded. It will be noted that the figure given by the Census report is an *AVERAGE FIGURE* and bears no relation to the real condition as it exists in the City. The following table will make my meaning quite clear.

In rooms with	Percentage of persons in Bombay
10 persons and over	13·7
6 to 9 persons	22·1
5 persons and under	64·2

(*Labour Gazette*—October 1922, page 15.)

The fact that 35·8 (13·7 *plus* 22·1) per cent. of the populaton resides in single room tenements with six persons and over is certainly no matter to be satisfied with. I leave it to be considered by Government what effect such over-crowding must be having on the health, moral and social well-being, and industrial efficiency of the occupiers of these one room tenements in the city.

8. If the averages and percentages are left aside and typical examples are examined a HORRIBLE STATE OF AFFAIRS is revealed, as will appear from the following extract taken from the report of the Lady Doctor appointed in connection with maternity benefits to women workers :—

"In outside chawls, I have several times verified the over-crowding of rooms. In one room on the second floor of a chawl measuring 15 feet × 12 feet, I found six families living. Six separate ovens on the floor proved this statement. On inquiry, I ascertained that the actual number of adults and children living in this room was 30. Bamboos hung from the ceiling, over which at night clothes and sacking were hung helped to allot each family allotment. Three out of the six women lived in this room were shortly expecting to be delivered. All three said they would have the deliveries in Bombay. When I questioned the district nurse, who accompanied me, as to how she would arrange for privacy in this room I was shown a small

space some 3 feet × 4 feet—which was actually screened off for the purpose. The atmosphere at night of that room filled with smoke from six ovens and other impurities would certainly handicap any woman and infant, both before and after delivery. This was many of such rooms I saw. In the rooms of the basement of a house conditions were far worse. Here day light with difficulty penetrated and sun light never and sun light we know is inimical to the life of most pathogenic organisms."

(*Labour Gazette*—September 1922, page 31.)

9. The following extract from the report of the Industrial Disputes Committee further emphasises OVER-CROWDING and recommends provision of sanitary rooms :—

" In the chawls attached to the Spring Mills a monthly rent of Rs. 3 per room is charged. Inquiry showed that some of the lessees were making as much as ten rupees a month profit by subletting. The Municipality gives Halalkhores rooms at the low rent of rupee one and annas three per couple per month. The profit of subletting is said to be as high as twenty rupees per month. Until an adequate supply of sanitary rooms first at rent within the means of the ordinary wage earner, is available every effort really to improve the conditions of the operative classes is pursuing a will-o'-the Wisp. "

(*Labour Gazette*—April 1922, page 27.)

10. The subjoined table will show how far conditions in Bombay are worse than in London, where the average number of persons per tenement is 1·78 as compared with 4·03 in Bombay.

Class of tenement by number of persons		Percentage of each class of tenement to total tenements		Percentage of each class of tenements to total population considered		Average number of persons per room in each class of tenement	
		1911	1921	1911	1921	1911	1921
One room	Bombay ..	83	70	69	66	4·47	4·03
	London ..	13	....	....	6	1·92	1·78

(*Labour Gazette*—October 1922, page 15.)

11. Therefore, even if it is assumed that the Census figure of 4·03 is a trustworthy indication—which it is not as the extracts quoted in paragraphs 8 and 9 above show of the actual condition of housing in Bombay, still it will be plain to anybody that the figure (*i.e.*, 4·03), does not warrant the majority to express their satisfaction—as they do—at the state of affairs. The duty, which we owe to Labour should dictate the adoption of the standard disclosed by the London figure of 1·78. The majority have not adopted it, but on the contrary they have deluded themselves with the complacent beliefs :—

a. that the figure 4·03 represents the condition during over-crowding,

and

b. that there was over-crowding in 1921.

That both these assumptions are incorrect will be apparent from the following extract taken from the report of the Commissioner of Census, in which he makes the following statement in reference to the City of Bombay.

" The figures of the last two* censuses are disturbed by the prevalence, in the city, of plague, which caused considerable temporary emigration. "

(Paragraph 55, page 74, Census of India, Vol. I, Pt. I.)

The extract conclusively proves, that far from there being over-crowding in the city, Bombay was deserted to such an extent owing to "considerable temporary migration " as to cause disturbance in census figures, *i.e.*, to say if the temporary emigration due to the prevalence of plague had not taken place, then the average number of occupants per room would have been higher than 4·03 and owing to the same cause, *i.e.*, emigration, there was no over-crowding in the city—which the majority assume—in the year 1921. It is therefore plain that as the basic assumptions are erroneous, therefore the recommendations which are made pursuant to them will also be equally erroneous, and therefore they should not weigh with Government.

* 1911 and 1921.

12. *As to ground B.*—The majority urge that annual loss is being incurred on chawls already built as a result of their non-occupation by tenants. So far the majority is correct but from the non-occupation of chawls they try to deduce that the present chawls are not occupied because there is no demand for rooms owing to a decrease in the population of Bombay City. (Paragraph 16 of the report.) I am of opinion that the non-occupation of chawls is not the result of a decrease in the population, but of some other causes. The rate of rents, site of chawls, lack or unsatisfactory means of communications, absence of amenities are some of the causes which have led to the non-occupation of these chawls.

13. The housing project was undertaken not to supply a particular number of tenements but to provide *improved dwellings* to the working classes as will appear from the following extracts :—

" Its main objects are firstly to secure funds with which to carry out the scheme for the provision of improved dwellings for the working classes."

(His Excellency the Governor's speech in Council in introducing Bill No. VII of 1920 (Bombay Government Gazette, 1920, Part V, page 685)

And again

" The Development Department is not seeking to provide palaces, but only clean and airy dwellings of the simplest and cheapest type possible in which plenty of light and air will be admitted, protection from sun and rain provided, and privacy secured. "

(His Excellency the Governor's speech at the Municipal Banquet on the 12th March 1923.)

14. To conclude, therefore, I submit that the object of the Industrial Housing Scheme was not to supply a particular number of rooms but to provide improved dwellings to the working classes. For this reason, the statistics which the majority have produced are irrelevant and I think, they should not have found a place in this report.

15. *The scale of rents.*—Even the latest reduction in rents is likely to prove unsuccessful in achieving the desired result because it is still beyond the means of the working classes.

Predominant working class rents in Bombay

Number of rooms per tenement	Number of tenements to which the figures relate	Predominant range of monthly rents	Percentage of tenements in which the rent is		
			within the limits of the predominant range	Below the limits of the predominant range	Above the limits of the predominant range
		Rs. a. Rs. a.			
*A Family Budgets (single room) ..	2,408	3 8 5 8	51·5	36·0	12·5
†B Statistics collected from municipal records (single room).	9,703	3 8 5 8	57·8	21·6	20·6

Whether you rely on group A or B, one fact emerges out clearly, *viz.* :—That over 86 per cent. of the working classes live in rooms fetching a rent between Rs. 3-8-0 and Rs. 5-8-0. Whereas the lowest rent charged by the Development Directorate is Rs. 6-0-0, 7-0-0, 8-8-0 and 9-8-0 in different centres respectively. That clearly shows how heavy even the present reduced rents are. The city rents carry with them greater security of person and property and more amenities, *e.g.*, bazaar, temples, schools, places of recreation ; whereas in the chawls of the Development Department comparatively speaking there is utter lack of these and in addition the rent charged for the rooms, is beyond the range which an ordinary labourer can pay.

16. What the working classes can pay may be gathered from the resolution passed in last January by the Bombay Provincial Trade Union, which is to the effect :—

" Called upon local authorities to provide better accommodation for working class families, rent not to exceed ten per cent. of the monthly wages of the worker, and the loss to be borne by Government."

(*Labour Gazette*—January 1926, page 434.)

* A relates to the year 1921-22. † B relates to the year 1920-21.

17. My views on this question were embodied in the resolutions Nos. 1 and 9 of which I had given notice for July-1926-session of the Legislative Council. They recommended that the rents for the Worli, Sewri-Naigaum and DeLisle Road chawls be fixed at Rs. 3, 5 and 6 respectively per month.

18. *Leases of chawls to employers of Labour.*—Notwithstanding the recommendation of maintenance leases made by the majority in paragraph 13 and its approval about the intention of Government to lease whole chawls to employers of labour, I humbly beg to sound a note of warning. Such leases will deprive labour of what are called " Strike free " houses The following extract from the report of the Industrial Disputes Committee is worthy of consideration. It is as follows :—

" The employer is not the ideal house builder, if for no other reason because it makes his employee doubly dependent on him—dependent on him for his wages and for his home; in case of dismissal he loses both. If therefore equally good accommodation is provided by an outside agency like the Development Directorate on equally easy terms, the operative will prefer to be housed in a building which is not owned by his employer; he wants what has been described as a ' strike free ' house. If ever there is a surplus of houses the mill chawl is the one which will be first emptied. "

(*Labour Gazette*—April 1922, page 28.)

Moreover, there is the fear of an employer of labour profiteering. He may pay Government Rs. 3 and receive Rs. 5 from his employee and thus pocket the difference as his profit, at the cost of the tax-payer on whose shoulder the loss arising out of the housing scheme is thrown. An assurance was given to me in the committee by the chairman that Government will take care not to allow the lessee to profiteer. But as the assurance was only verbal, I have taken this opportunity of putting it on record.

19. While yet on the question of leases of chawls to employers of labour, I feel it necessary to express my thorough disapproval of the proposal on principle ; because the workman is thrown upon the tender mercies of his employer and is deprived of his lodgings on dismissal or during a strike ; it also deprives him of his freedom of settling the conditions and terms of his service. Again it may take several years to find employers, who will take the chawls on maintenance or any other kind of leases. Are the chawls to remain vacant until they are found ? I would therefore suggest the adoption of that procedure—for filling up these chawls—which Government follow in the case of Reclamation Leases of Salt or waste lands. Let the chawls be occupied at the lowest rent—even if it means rent free occupation. And when they are occupied, gradually raise the rent. This suggestion has the double advantage, *viz.*:—That it fulfils the object with which the chawls were built, *i.e.*, that labour gets healthy and " strike free " houses ; and again the chawls will be almost immediately filled up. There would be no need to go in search of prospective lessees from the ranks of the employers of labour.

20. Instead of approving Government proposal of leasing the chawls to employers of labour, I would recommend to Government to open negotiations through the agency of the Labour Bureau with the Trade Unions in the City of Bombay. The September 1926—issue of the Labour Gazette—at pages 82 to 85 gives a list of 22 trade unions with a membership of 43,746 persons. If even a third of this number is offered attractive terms and is induced to come and occupy the chawls, they will all be occupied in no time.

21. *Other minor points.*—(1) I am at a loss to understand the relevancy of paragraph 14 of the report, or how it falls within the terms of reference to the committee. I am not in favour of its being made a part of the report.

(2) About location, type and materials used in construction of chawls, I do not offer any remarks, because as the chawls are already built, my remarks will be worse than useless now, in respect of them. I only record my dissatisfaction on these points. But when the time for undertaking further programme arrives let the requirements and mode of living of the working classes be well studied, and a design be adopted after consulting the real representatives of labour. In the present chawls the idea seems to be that the labourer was made for the chawl and not the chawl for the labourer. Let the repetition of this sorry mistake be avoided in future. Concrete is not an ideal material for building, because it gets heated during the day time and makes the occupation of rooms impossible.

(3) Referring to the non-occupation of chawls, I should like to make the following remark. Paragraph 19 of the report states :—

" 19. We recognise that housing conditions in Bombay are to some extent artificial at present and that a return to normal conditions—to supply and demand—may cause a change in the outlook ;"

and

" In other words the share of the cost of the scheme borne by taxation will meantime be Rs. 16⅓ lakhs from the cotton cess and about Rs. 9,45,650 from other sources. (Paragraph 9 of the report.) "

I humbly request Government to consider if the suggestion about the Decontrol of Rents below Rs. 8 which I made on 25th July 1925 in the Legislative Council, had been adopted by them at that time, then would it not have been in the interest of all, *i.e.*, the Government, the tenants of the labouring classes and the tax-payer ? The chawls would have been occupied, the working classes would have obtained sanitary dwellings, the burden on the provincial exchequer would have been lightened and the Government would have been freed from the obligation of providing healthy homes to labour. Nonacceptance of my suggestion has forced labour to remain in insanitary houses, taxpayer is bearing the burden of interest and other charges amounting to nearly 25 lakhs annually and the Government has remained undischarged from the fulfilment of the representation which they made to the public and the cotton trade of building 50,000 single room tenements.

(4) " In view, however, of the annual loss being incurred on the chawls already built, we agree with Government that the construction of further chawls should not be undertaken. " This is the recommendation which the majority of the committee make. Contrast this with the discussion in the Legislative Council which has taken place on 28th July 1925.

" Mr. A. N. Surve : 1111 — * * * * Another point is that Government are under a statutory obligation, under Act XX of 1920, to build 50,000 single-room tenements for the working classes. If the rooms remain vacant, Government might think that there is no demand for these rooms. The Development Department Advisory Committee's report on this point is that we should wait and obtain further experience, and the Honourable the General Member has stated that the Government deliberately keep these rooms vacant. So, perhaps it may not be used as an argument in future that because there is no demand for these rooms, therefore, let us abandon the housing scheme. To have 50,000 single-room tenements is in the interest of the working classes. For these reasons, I put my amendment before the house and request that it may be accepted.

Question proposed.

Mr. D. B. Adwani : I want information from the Honourable the General Member whether the Honourable Member from Bombay (Mr. Surve) is correct in stating that Government deliberately keep the rooms vacant.

The Honourable Mr. Cowasji Jehangir : I am not responsible for any statement made by any Honourable Member.

Mr. D. B. Adwani : What I want to know is : Is that a fact ?

The Honourable Mr. Cowasji Jehangir : Certainly.

(Council Debates, Vol. XV, part VIII, page 6347.)

The fears, which I then entertained, have come true.

It will be instructive, if I quote here the opinion of the Industrial Disputes Committee on the occurrence of a surplus of houses. In paragraph 14 of its report it states :—

" If ever there is a surplus of houses, the mill chawl is the one which will be first emptied. But that consummation is so far away, if it ever can be attained, that it need not hamper activities now ; if every possible agency for the provision of working class homes is enlisted and works at the maximum efficiency, the present shortage will not be overcome for a generation. It must also be kept in mind that as the standard of living rises the operative will require a two-roomed tenement instead of a one-roomed tenement and will be in a position to pay for it. "

Therefore to make an unqualified recommendation of the nature made in the quotation given at the beginning of this paragraph is unjustifiable. I will therefore modify it by the addition of the following words, *viz.* :—" Until the return of better times ", so that it may read as follows :—

" In view of the annual loss being incurred on the chawls already built, we agree with Government that the construction of further chawls should not be undertaken until the return of better times. "

This is the recommendation which the state of affairs as it exists to-day compels me to make ; but my own view is that it is necessary to make further enquiry before accepting the Government view of not embarking on fresh schemes.

22. Excepting what is stated above, I have much pleasure in saying that I am in general agreement with my colleagues on the committee. I also thank them for incorporating in the report the urgency of removing the nuisance caused by the storm water drain near the Worli chawls, for which I had pressed.

23. To sum up, I would humbly urge that the majority have erred in supposing that, there was overcrowding in the city in the year 1921 : that their belief that the figure 4·03 represents a state during a period of abnormal overcrowding is equally erroneous. Therefore what is stated in paragraphs 1 to 5 of the report is *incorrect* and they should have been deleted from the report. Paragraph 14, relates to a matter which does not form part of the Terms of Reference to the Committee. Therefore that paragraph also should be deleted from the report. I thoroughly disapprove the proposals about maintenance leases and leases to employers of labour, as fundamentally opposed to the object with which the Housing scheme was undertaken.

24. My recommendations are :—

(*a*) Fill up chawls by lowering the rents to the lowest limit imaginable ;

(*b*) Open negotiations with the Trade unions in the city of Bombay with a view to inducing them to occupy the chawls.

(*c*) Do not abandon further housing schemes finally.

25. If the statement that Government have decided that the construction of further chawls should not be undertaken, is correct, then I would humbly request them to consider the following points, *viz.* :—

1. That the Development loan was obtained and the cotton cess was introduced and levied on the representation to the public that a part of the loan and the cess was to be appropriated for building 50,000 rooms ; Government have undertaken this obligation, and it will have to be fulfilled.

2. That this obligation is not merely moral but it is statutory—see Bom. Act XX of 1920.

3. Government owe a duty to labour to supply them with sanitary dwellings.

4. That the Housing condition of the working classes is most deplorable.

26. I cannot conclude this note better than by quoting the following paragraph on the importance of housing, from the working class budgets—Bombay—1923, page 25. It is singularly appropriate, in as much as it is from the pen of His Excellency Sir George Lloyd, at whose instance the Industrial Housing Scheme was inaugurated.

" The importance of Housing cannot be over-stated. It is the main cause of drink and vice, according to Mr. Charles Booth ; it is of all causes the most potent in the creation of morally and physically degenerate types. As the authors of " The great opportunity " point out, " Good houses mean the possibility of home life, happiness, and health ; bad houses spell squalor, drink, disease, immorality and crime, and in the end demand hospitals, prisons, and asylums in which we seek to hide away the human derelicts of society that are largely the result of society's own neglect. In 1917 an inquiry was made by a Royal Commission into the causes of Industrial Unrest, and no less than seven out of the eight sub-committees by which the enquiry was conducted recorded their opinion that insufficient and bad housing was one of the factors responsible for unrest. "

Minority Report*

Report by Mr. Manu Subedar on the Housing Scheme

1. I regret that I have to make a separate report as the differences with my colleagues on the Committee are serious. The main difference is that they decline to go into the origin and progress of the housing activities of the Development Directorate. I feel it necessary to examine this, because, this section of the Development Directorate is likely to present acute and important problems, whose solution can be only found if all the difficulties are analysed and traced to their origin. Thus my colleagues have chosen to ignore altogether the numerous complaints which are heard with regard to the type, location and lack of amenities

*The statement of Government on the minority report is appended.

about these chawls. They have not tried to find the reason why the original estimate of Rs. 1,100 per tenement rose to the figure of Rs. 2,071 admitted by the Department, or, in fact to Rs. 2,587 allowing for interest and other charges which have not been added. Further though they are recommending a reduction of existing rents, yet their recommendation does not go far enough with the result that 12,000 to 13,000 habitable homes are locked up and the slums in Bombay are as bad as ever.

2. The first time that the public of Bombay heard about the proposed programme of housing at the hands of the Government of Bombay was on 3rd August 1920 when Sir George Lloyd introduced the bill for the levy of the cotton cess, from which the losses on the housing scheme were to be met. It appears that the housing scheme was a vital part of the entire development programme. In the speech of the Governor it was made the principal justification for launching out the development activity and for the creation of the Department.

The Governor said in the Council on 3rd August 1920 :—

"The problem of improving the housing conditions for labouring classes has been so continuously before this Government and the public during the last twenty years that it will hardly be necessary for me to refer in any detail to its history. Briefly, however, it begins with the passing of the Bombay Improvement Trust Act, 21 years ago. Its object was partly to open up and improve lines of communication to the large vacant areas in the north of the island, and also,—and chiefly so,—to provide housing for the poorer classes of the people. For various reasons, the merits of which I will not here discuss, the latter policy was not fully carried out."

"As against this, however, the rapid increase of the population, the industrial prosperity attracting to the city ever increasing quantities of labour makes it certain that even with the additional accommodation so far provided, the supply of houses in the central and southern parts of the island is still very much below the demand for them. But the creation of the Improvement Trust and the policy I have just outlined was further followed by the renewal careful consideration of the whole housing question by the Bombay Development Committee, which met under the presidency of Sir Claude Hill in 1913. Various recommendations were made then by this committee, and amongst them the principle was enunciated that it was the duty of the employer of labour to provide accommodation for a part of his operatives."

"They concluded by saying—

'If the existing resources of these bodies, together with such assistance as Government may be able to spare, are not sufficient for this purpose, then further taxation should be imposed in such a way as to fall mainly on the employers whose co-operation may most suitably be obtained in this form.'

"In July 1919 the Municipal Commissioner reported that out of a population then estimated roughly at 12,00,000, nearly 892,000 resided in one-room tenements.

"Consequently as a last resort Government have been driven to the conclusion that there is no alternative to direct Government action."

3. The Housing Scheme was not an independent affair, but was a vital part of the entire development programme. In the speech of the Governor it was the main justification for the development activity and the creation of the Department. Descriptions of the life of the workmen overcrowded in slums were evoked at each stage.

The Governor rejected the use of the Improvement Trust machinery in the following words :—

"Further consideration, however, showed that the provision of housing accommodation for the working classes on this very large scale was never intended to be the duty of the Trust. Nor was the Trust equipped with resources enabling it to undertake such a great task..... A further alternative was considered, namely, of erecting accommodation through the agency of the municipality of Bombay. But for reasons which will be amply apparent from the remarks which I shall make hereafter, this also was rejected."

The remarks, which he made thereafter, were carefully scanned and nothing was found to give valid reason for rejecting the municipality.

"I have dealt so far with schemes of which the object is to improve the housing of the lower classes and increase the efficiency of municipal administration. They are schemes of very great magnitude involving large expenditure, but the Government is convinced that they do not exhaust the possibilities of direct action and that the time has come to take a very much wider view of the position..... I will not discuss that reorganization in close detail, but for the control of this reorganization as well as for the elaboration of the schemes tending to the rapid, businesslike and orderly expansion of our policy, Government propose to constitute a special Department of Government working directly under Government, but hampered by as

few red tape rules and as little trammelled by old fashioned methods as possible.....The Right Honourable the Secretary of State has throughout taken a very keen personal interest in our housing proposals, and we have similarly received the co-operation and support of the Government of India on this question. The result is that my Government has obtained permission to raise a loan for the purposes of development and for financing such specified local bodies as may desire our assistance."

4. Whoever reads through the debate, which took place, will find that nothing is said with regard to the design or the location of these 50,000 tenements. The scheme, which was justified by a description of the city as a city of dearth and death, was launched out much too suddenly. Very respectful complaints were made with regard to this suddenness as well as with regard to the rejection of the Bombay Municipality, which is the normal machinery whenever the state undertakes housing employed in western countries. Mr. (now Sir) C. V. Mehta, representing the Bombay Municipality, made a protest during the debate on the 3rd August 1920, which in the light of subsequent events must be regarded as feeble. He said :—

"I confess that I should have liked some notice of the very large and very comprehensive schemes that have now been adumbrated. I must say, Your Excellency, that I should have also liked some words of appreciation for the work that the Municipality and the Improvement Trust have done in the past, even though the city may still be called by Your Excellency a city of dearth and death.

"In some part of your speech Your Excellency rejected the alternative of the agency of the Bombay Municipality for reasons that were to follow later on. I am afraid I could not find the reasons specially stated."

The same sentiment was expressed by the Honourable Mr. P. C. Sethna in the following words :—

"So far as I know whenever the Bombay Municipality offers any amendments, or whenever Government choose to amend the Municipal Act, the draft of the bill showing the amendment is invariably sent in advance to the corporation for its opinion, before the bill is presented for the first reading.

"I am in the same position as my friend the Honourable Mr. Chunilal Mehta, namely, that the entire scheme has come upon us as a perfect surprise and we are not in a position, on the spur of the moment, to offer any considered remarks as we would like to do so."

5. The Council, composed on the old plan and therefore less representative than the Council existing to-day, was frightened into sanctioning the programme by holding up administrative difficulties, if there were any delays. The Governor on 3rd August 1920 said :—

"He also said that he would like Government to consult various local bodies before introducing this bill. I cannot entirely agree with the honourable member there. In any case it would not have been practicable. I am sure the honourable member will realise the great difficulty there is in dealing with so many authorities as a local Government has to deal with, first of all, with itself, then with the Government of India, then with the Secretary of State, and finally with the Treasury. He will then realise that to get a scheme of this magnitude and so much of detail passed through these four authorities with the intervening series of delays, is a much bigger task and requires a great deal more of telegraphy than some honourable members are aware of. The result of all this was that we received the necessary sanction only a very few days ago, just in time to introduce this measure in the Council, so that we might not be delayed for the whole of another year, or, in practical working, a year and a half. If the sanction had been delayed by a few hours, the Bombay Housing Scheme would have been held up for a year and a half. Therefore, I hope the honourable member will recognise that we could not consult any local authorities until we had obtained the sanction."

The Governor tried to placate the Council by taking a share of the blame for bad housing conditions in Bombay on the Government themselves :—

"When I said, as I do say, that I thought this problem has not in the past been tackled on sufficiently bold and courageous lines, I referred not to the municipality only, but to every other authority that has had to do with it. My Government is, to some extent, to blame. I think, everybody has been unable for various reasons,—I do not say it is impossible to do it, but I think it is now necessary,—to redress the evil by taking bolder measures than it has been possible to take in the past."

6. I am showing that sufficient consultation did not take place with public bodies or with representative men before the whole programme was launched out, because I feel certain that many of the errors, which happened afterwards in connection with the housing programme, would have been prevented had such consultations taken place. Apart from that, as a matter of principle it seems

scandalous that a programme involving the outlay of several crores of public money should be launched out by the executive government without receiving views of the community whose money is being spent and for whose benefit ostensibly the activities are being conducted. This is all the more so where the outlay of funds is not for regular administrative purposes, but for a programme which would be regarded in ordinary parlance as social reform. Irresponsibility even when it is for a benevolent purpose is objectionable and has been at the root of the failure of Government to achieve the result which they set out to secure.

HOW THE SHORTAGE OF FIFTY THOUSAND TENEMENTS WAS CALCULATED

7. Sir George Lloyd, speaking on 3rd August 1920, said :—

" The problem to be faced is the direct construction of additional housing accommodation, sufficient to supply the deficiency reported by the Municipal Commissioner in July 1919. That deficiency, as I have already mentioned, amounted to 64,000 tenements. Of this number, it is believed that 14,000 tenements can be supplied by the conversion and improvement of tenements now considered unfit for human habitation, and also by vacancies due to the migration of members of the middle classes to the new houses which are being built in the northern part of the island. The balance of 50,000 rooms represents a minimum, for which arrangements will have to be made. "

The majority report recognises that these conclusions of the Municipal Commissioner in July 1919 were wrong, but have not stated so explicitly. The mistake arose out of the assumption that there was 80 per cent. of the population living in one-room tenements whereas the census of 1921 disclosed that the population living in one-room tenements was not 80 per cent. but 66. In other words, it was assumed that there was serious overcrowding and that per room the number of people was 5·12. The ideal to be achieved was to secure the reduction per room from 5·12 to 4. The figures given by the census of 1921 approximated very closely to this result. On the basis, on which the Government calculated the deficit in 1919 at 50,000 tenements, the actual deficit according to the census of 1921 of one-room tenements would be 1,340. While the existence of slums and overcrowding in Bombay is not denied, this method of calculating deficit and meeting the problem stands condemned by the facts now in possession of the public.

8. It is not quite clear whether the 50,000 tenements were being provided for for the estimated shortage of housing in Bombay or for anticipated increase in population. Mr. St. Nihal Singh, writing on the subject, said :—

" The industrial housing schemes, on which work is now going on or is shortly to begin, will altogether provide 50,000 tenements which, allowing five occupants, including children, for each, will afford accommodation for 250,000 persons. "

The Department now tries to defend the vacancies by the suggestion that population has left Bombay. This defence of their miscalculation would be regarded as unsatisfactory, because, though population may have left Bombay the slums are still with us. It is a pity that a scheme of this magnitude was launched out on a mistaken calculation. It was only on a representation that this was an urgent matter the Council was induced to sanction the duty. The Honourable Mr. (now Sir) Phiroze C. Sethna, speaking on 3rd August 1920, said :—

" Your Excellency quoted figures giving the number of the citizens of Bombay who occupy one-room tenements which works out at nearly 80 per cent. of the total population. The conditions of these one-room tenements are such that 80 per cent. of the population live in filth and squalor, and what you are now proposing will give to the poorer classes better habitations than what they have been accustomed to. "

Mr. (now Sir) Purshotamdas Thakoredas, having opposed the principle of taxing cotton in the interests of the cotton cultivator, said :—

" But I do wish, and I beg Your Excellency 's permission to repeat it, that if this is sanctioned by this Council, it is only being sanctioned *as a very exceptional step*.....After all it is a raw produce of the country and the return to the cultivators on it is not always uniform, nor has it been anything very big so far. If the end is not taken to justify the means, then in spite of the usefulness of the scheme, to finance which this town duty is being put on, I submit that it is not quite correct. At the same time for considerations, which I have just referred to, I would be quite satisfied with a record on the Council minutes of my humble views in this connection."

9. I am sorry that the Government have not acknowledged directly the error of their calculations and the over-statement with regard to the immediate

need for improvement, on the strength of which they secured the consent of the Council. Really in their Administrative Report for the period ending 31st March 1924, it is said :—

" The Industrial Housing Scheme of 50,000 tenements was conceived during the boom period when labour conditions in Bombay were probably abnormal. It is beginning to be doubted whether there exists at present any such shortage and in order to avoid the risk of overbuilding, Government have decided not to take up any more land for housing until the chawls now under construction (16,880 tenements) have been completed. This involves a modification of the original programme to construct 50,000 tenements in eight years but in view of present conditions, it is undoubtedly a prudent policy to test the demand for housing in actual practice before proceeding further."

If the calculations of deficit were made in a boom period, why was not allowance made for the fact that it was a boom period to be followed with a period of comparative slackness ? The overbuilding feared has been, it would appear, realised.

10. If there has been miscalculation, the tax, which was levied on the strength of this miscalculation, ought to be removed. The majority report themselves say that the highest expectation that can be made is that 4,000 out of 16,544 rooms would be occupied during the next year. In other words, there is a visible excess on hand of 12,000 rooms. Except by a special enquiry I do not think it would be possible to ascertain if there is any shortage, and, if so, of which particular kind of houses in Bombay. But I will show in dealing with the cost that the wrong estimate of requirements led to misplaced zeal in securing quicker results and this led to the increase of cost which has resulted in 12,000 rooms being ready but not available to the working population, for whose benefit they are constructed, and in the loss to the state more than five times what it was originally expected to be.

TYPE OF BUILDINGS

11. As I am not an engineer and have not lived in one room tenement, I am unable to say much as from myself with regard to the design and type of tenements built by the Department, but I think it is impossible to congratulate the Government on the type of the tenements which they have put up for the working classes. A revolt against the chawl type had been universal and a very successful model existed in the cottage type in the Antop Village belonging to the Port Trust. The Government themselves appear to have recognised the general desire of the public of Bombay to see more cottages. The Governor said on 6th December 1922:—

" The criticism fails to recognise the fact, of which these critics are perhaps unaware, that the Directorate are already investigating the possibility of putting up cottages in those areas when sufficient land is available at a reasonable price. "

I find that the Government were not at all clear about the design on which they were going to build when they started. Mr. Harvey, the Executive Engineer, in charge of the Housing Scheme, in a departmental note, said :—

" In connection with this information I would report that no fair comparison can be made between the costs of departmental and contract chawls since the departmental chawls were constructed wholly with the object of bringing down prices and *of making necessary revisions in the design* leading to economy and speed of production, which at the outset was of prime importance.

" Many alterations and experiments were made from time to time and although the departmental chawls were admittedly more expensive than the contract chawls, they had ultimately the desired effect. "

12. In the departmental report for the period ending 31st March 1923 it is admitted when it was already too late to mend matters that " the question of the details of the design is still being decided with the help of the Advisory Committee and of the tenants themselves ". In other words, it would appear that, starting with unsettled ideas right until the moment when the final contracts were given out, their ideas remained unsettled.

13. After two years of efforts in this novel field of building activities with an organization, which was based on military pattern of project division and materials division, the Director of Development, reported the following position. Speaking on 6th of December 1922, he said :—

" It is, however, in the method of construction of the blocks that the principal innovations have been introduced with a view to economy and speed of execution..... The cost of each block

of 80 tenements has been brought down by Rs. 25,000 as compared with the original design; the present estimate, including sanitary fittings, but exclusive of land, roads and drainage, being Rs. 99,500 per block."

The public of Bombay have objected to cement concrete. Speaking on 6th of December 1922, Sir Lawless Hepper said :—

"The reinforced concrete type of construction has been adopted in Bombay, prior to 1920, and the Directorate decided to commence its programme by erecting tenement blocks of a similar kind. But as several failures of such buildings had occurred, and doubts had been expressed in some quarters as to the suitability of this type of construction, Government decided to appoint a strong committee of engineers to investigate the utility of reinforced concrete for structures in Bombay City, by examining such buildings as had been in existence for more than eight years and reporting on their condition, as well as on the probable reasons for the corrosion of the steel in any structures which were found defective. The conclusion arrived at by the committee was that the deterioration was traceable in every case either to bad design, inferior materials or indifferent workmanship."

"As a result of this enquiry, and having regard to the fact that any other kind of permanent building would be more expensive, the reinforced concrete type of construction will no doubt be definitely adopted, and a programme has been prepared, on that assumption, for the completion, in eight years of the whole scheme of 625 blocks of 80 single-roomed tenements each."

14. The passage of a few years now has not still reconciled public opinion to the type chosen by the Department. The *Indian Daily Mail* of 19th April 1926, writes :—

"Mr. Joshi has carefully studied the causes which deter the working classes from availing themselves of the facilities provided by the Development Department chawls. It is 'the chill produced by the concrete walls'. Reinforced concrete, however, suitable from the engineer's point of view, has never struck us as being an attractive material for a home, and Mr. Joshi's remark seems to confirm our feeling."

Mr. Mancherji E. Joshi, said on 17th April 1926 :—

"The non-occupation of these chawls by the working classes for whom they have been built seems to be due to various reasons such as absence of windows and separate nahanis, the distance of the chawls from the working quarters and the rent."

Because the Department decided upon the cement concrete type, they met with "the difficulty of organizing immediately, on a sufficient scale, the supply of the necessary materials and the provision of an adequately trained supervising staff". Had masonry work been decided upon, this difficulty would not have been felt.

15. Dealing with materials, Sir Lawless Hepper on the 6th of December 1922, said :—

"We must look to a cheapening of the price of building materials, mainly cement, sand and shingle. So far as the cement is concerned the Directorate has entered into a long term contract with a group of four Indian Cement Companies on favourable terms. The cost of sand and shingle has already been reduced and will, it is hoped, be brought down further when certain dredging and grading plant on order has been put into use. Finally the question of transport is being constantly studied, among the latest developments in this direction being the completion of a siding which, with the approval of the Municipal Corporation has been laid to give direct access on the 5′ 6″ gauge to the Worli site."

16. On the result achieved I can only quote the views of various parties who can speak with great authority. On the question of design, Mr. S. K. Bole, in a letter to the *Times of India* of the 7th June 1923, says :—

"They may be defective in one respect or another but they are far superior to the present dwellings of workmen.....The design of these chawls may not meet with universal approval."

Mr. Bole then deals with the defect with regard to nahanis, which the Department promised to put right. About the nahanis, Sir Lawless Hepper had on 6th December 1922 actually claimed merit for the Department in the following words :—

"Amongst the changes which affect the tenants I may mention that the nahanis or washing places, formerly provided in each tenement have been replaced by a central block of nahanis on each floor, opposite the main stair case according to the municipal pattern, a plan which has advantage of being more sanitary as well as more economical."

With regard to shutters, Mr. Bole says:—

"Sir Lawless Hepper is also right when he states that it was decided to await the experience of the coming monsoon regarding the concrete shutters."

Mr. J. A. Macdonald, engineer of the Port Trust, wrote to the *Bombay Chronicle* of the 4th June 1925, as follows :—

" This (the chawl method) is in my opinion the wrong way to house the Indian labourer who has been accustomed to open air village life and shady trees. Being an absolute necessity we call upon him to help us develop our large city and in return herd him in huge ugly reinforced concrete erections and then pretend to ourselves that he is happy."

Mr. Macdonald calls it " Arch-Hectic-Tecture ".

Mr. Jamshedji P. Mistri, a very eminent architect in Bombay, whose outstanding reputation has been recognised by the Government of Bombay recently by his inclusion in the committee of local engineers over the Back Bay, said in a letter to the *Bombay Chronicle* of 25th May 1923 :—

"According to the present design rooms in the chawls are not better than mere cells.... As for four feet six inches width of verandah, Sir Lawless Hepper says that it was added to the room to give more floor space. This is also most undesirable. In India a house or a chawl is not perfectly designed if there is no verandah....To remove a verandah from the dwelling place of a poor man is to remove all amenities of his dwelling. To throw that space into his room is to allure him to keep more boarders."

The *Bombay Chronicle*, writing on 10th May 1923, said :—

" The public have fiercely criticised them, and as one critic said they smack more of ' warehousing than housing '. Every impartial critic who knows anything of housing of labour has unequivocally condemned them, and the latest critic is Professor H. Stanley Jevons, who, if anything, must have a bias in favour of Government. He condemns the chawls altogether and says he was greatly disappointed, as the plans must have been drawn by an engineer ' without sufficient consideration or knowledge of the human needs of labour '."

Professor Jevons' condemnation was the most outspoken. Writing to the *Times of India* of the 8th May 1923, he said :—

" I cannot sufficiently condemn the practice of going on building block after block of these chawls of exactly similar design, without paying any attention to the ascertained needs of the people living in those first constructed. An engineer who is quite ignorant of the needs of the working classes and of principles approved by all housing reformers, may be forgiven for making mistakes in the first one or two blocks erected. He cannot possibly be forgiven for going on repeating those mistakes, without any apparent attempt to meet the needs and wishes of the unwilling inhabitants. Permitting such a travesty of housing reform appears to me to reflect the greatest discredit on the Government of Bombay."

Even the autocratic government of the late Governor was obliged to recognise this, because, we find that later the Development Department tried to defend the design by comparing it with that of private chawls and claiming that it was better.

17. In dealing with the question of windows the Department said in the report for the period ending 31st March 1923 :—

" The windows of the Directorate chawls have been designed especially to meet the wishes of the tenants in this respect."

If this was so, it is not clear why the Department subsequently decided at great expense to remove the shuttered window and to make an open one. Mr. St. Nihal Singh, the official publicist of the Department, deals with this point, as follows :—

" Cement bars placed in the window frames to ensure privacy without intercepting light and air have caused much criticism ; this has been met by improvements in design in the buildings under construction."

18. The Department tried to refute the criticism against the type of tenement selected in the following words :—

" The criticism of persons other than tenants has partly been directed against the tenement building in general. The chawls have been referred to as ' mere boxes for the herding of hands conceived as means of production' and as 'a mere mechanical repetition of a single plan'. It may be conceded at once that the provision of 'cottage homes' would have been far preferable, had it been economically possible. But unfortunately the cost of land in Bombay, and the amount of land available, render such an idea impracticable ; and for years the single-room tenement building has been accepted as the only practical solution of the housing of the poorer classes in Bombay." (Administration Report for period ending 31st March 1923).

And in conclusion the Department complained of " difficult conditions imposed by financial limitations " and said :—

" If money were no object, there are many improvements which might be made, the most important of which is perhaps the provision of electric light. It is at night that the buildings are fully occupied and the absence of lighting in passages, staircases, latrines, etc., undoubtedly lends much of the squalor which seems inseparable from the tenement block of ordinary type."

This defect has not yet been remedied.

19. Mr. Cadell from his place as Finance Minister, defended the position of the Government in the following words :—

" So far I have said nothing about the housing scheme, which is linked up with the Back Bay Reclamation. That is intended to provide 50,000 tenements for the working classes. 3,000 tenements had been completed by the 15th January out of which nearly 90 per cent. have been already let, thus illustrating once more the ill-judged basis of the outcry, which was set on foot against these tenements. Some minor improvements have been found necessary, and have been introduced and it seems possible that the full 50,000 tenements will not be required and that the building programme can be curtailed, but the principle of the scheme stands good and confirmed by public opinion."

But, as will be seen subsequently, Mr. Cadell was misinformed with regard to the percentage of rooms which were filled up when he was speaking, and the fact that the criticism of the designs of these rooms is still frequently reappearing from critics, who could have no sinister motive, proves that as they have finally emerged, they still lack amenities which could have been provided without increasing the cost.

20. The points, on which the designs of the rooms were criticised, may be summarised as follows :—

1. Absence of an open verandah.
2. Shuttered windows.
3. Absence of nahanis.
4. Collection of smoke in the passages through want of ventilation.
5. Dampness and cold of the walls and floors making the tenants liable to illness.

Some of these have been remedied at a heavy cost ; others have not been remedied and therefore lead to the inconvenience complained of.

LOCATION OF CHAWLS

21. It is nowhere stated why the Government chose the particular places to locate the chawls, but the explanation may be found from the following extract in the departmental report for the period ending March 31st, 1922 :—

" It was originally contemplated that of the 50,000 tenements to be constructed, about 35,000 could be built on land in possession of the Improvement Trust or easily obtainable and that for the remainder it would probably be necessary to reclaim part of the salt works in the North East of the Island."

The Improvement Trust land available is then described in a table, " leaving land for 200 chawls of 16,000 tenements to be contained elsewhere ". " So far the only land it has been possible to acquire outside the Improvement Trust Schemes is that at DeLisle Road, which provides for 33 chawls, or 2,640 tenements, and cost Rs. 21 per square yard, a rate which it would not be economically possible to pay, except for an insignificant proportion of the total area required."

Mr. M. E. Joshi, an architect, who has studied the housing problem of Bombay with care, said on the subject of location in his lecture on 17th April 1926, as follows :—

" It is not known on what principles the distribution of these chawls is made in the different localities that have been selected by the Development Department. It would be interesting to know whether the number of chawls in each locality is regulated according to the labour employed in each centre. If this is so, the question of transit facilities does not arise, but looking to the number of chawls as compared to the labour employed in that centre, it seems that the former exceeds the demands of the latter and in that case transit facilities for distant centres are necessary. The question is who is going to pay for the transit facilities."

22. The location of the chawls in certain places has been very unfortunate. From the point of view of the cost, apart from the reference to the price of land above, the land at Worli has proved too costly because of the expenses for levelling and filling and also pile foundations which it was found necessary to put.

One section of the Worli chawls all along the line abuts on an open drain where it is impossible for an ordinary layman to stand for two minutes on account of the

stench. Apart from the unpleasantness of smell, the surroundings could hardly be regarded as healthy or clean. I am told that this open drain would go away after some years, but in the meanwhile it could not do any good to those who dwell in the place.

23. At almost every place where the chawls have been located, heavy costs had to be incurred on account of the difficulties of water and sewers and drainage. The departmental report for the period ending 31st March 1923, says :—

" Owing to lack of pressure in the Municipal mains, and to the want of low level sewers of adequate capacity in the neighbourhood of the chawl areas, it has been found necessary to instal temporary arrangements for pumping water to chawl roofs, as well as those necessary for the drainage and disposal of the sewage of the areas under occupation. The conditions referred to are not likely to be rectified for some years, and must entail considerable additional work and expense to admit of the buildings being occupied."

Further difficulties were shortage of water, about which I understand there were many complaints. This was due to the fact that very heavy rate for water was being charged to the Department by the municipality. Why public bodies could not get these points settled much quicker, I have never been able to discover.

24. Amongst the other difficulties of location must be mentioned the difficulties of transport, which are acknowledged to be serious with regard to Worli, which comprises 60 per cent. of the housing scheme. These were mentioned frequently in discussions with labour leaders as a serious deterrant to prospective tenants.

There has been the difficulty of lighting as will be illustrated from the following question :—

" Mr. A. N. Surve (Bombay City, North): (*a*) Have the approaches to the inhabited chawls of the Development Department at Naigaum been provided with proper lighting arrangements ?

(*b*) If not, is the provision of such arrangements under consideration of Government ?

The Honourable Mr. Cowasji Jehangir : (*a*) No.

(*b*) The matter has already been taken up with the city of Bombay Improvement Trust, who have been asked to make the necessary lighting arrangements in the area. "

(Bombay Council, 19th February 1924.)

Even now I understand that, apart from the roads and the approaches, which in some cases have been provided with lights, there is the grievance with regard to the passages and staircases of the chawls not being lighted.

25. The other difficulty, which was brought to our notice, was that of police protection. The idea that all working men are loafers and badmashes is ridiculous. There is a tiny section of badmashes of whom the working classes are as much in terror as the propertied classes and this section has much greater facility for their operations in the working districts than in the districts inhabited by wealthier citizens. Mr. Surve raised this point with great emphasis in the course of the discussion about the facilities which the Department claimed to have made, and I think there is room for improvement in the police protection provided round about these chawls. Had the chawls been located in the midst of older habitations, there could not have been any grievance on this score.

The other shortcoming in the matter of location is the absence of temples and places of worship generally and markets, for the provision of which I understand the Department is now stirring. There is also lack of schools and other social amenities usually enjoyed even by this section of the community.

26. The Department appears to have realised when it was too late that there was something very wrong with regard to the location. Mr. Cowasji Jehangir on 11th March 1924 said :—

" I may tell the Honourable House that before they suggested delay in the construction of the chawls, I went into the question myself some time ago to see whether we could not remove some chawls to other localities for the sake of convenience, and I found that it was not possible unless Government were prepared to sacrifice a large amount of money. Government were not prepared to make the sacrifice."

UNDUE HURRY IN PUSHING FORTH WORK

27. At the root of the whole difficulty appears to be the hurry with which the work was intended to be done. I must say that there was more haste than speed

in pushing forward the programme of housing. The Governor of Bombay, speaking on the 6th of December 1922, said :—

" Accordingly I next endeavoured to ascertain how the conditions of the daily life of the working classes could best be ameliorated *within the shortest possible time*, and in August 1920 I introduced in the Legislative Council certain amendments of the law which were necessary to enable my Government to proceed to tackle this difficult problem on bold and comprehensive lines."

" The scheme is still far from complete ; but two important stages have been successfully negotiated, the stages of examination and preparation, and we have come here today to receive ocular proof of the commencement of the last and to my mind the most satisfactory stage, the stage of construction."

Mr. St. Nihal Singh, the official propagandist, speaking on the same subject, said :—

" The work of building these tenements has been so systematised that the rate of progress is equivalent to an output of one block of 80 tenements in 6 days. Efforts are now being made even to beat that record."

Sir Lawless Hepper, speaking on 6th December 1922, said :—

" The rate of progress has now reached the equivalent of an output of one chawl every five working days."

The public of Bombay was amazed at the stolid indifference of the Development Department to what was being thought and said about their activities. Mr. Jamsethji P. Mistry expressed the following representative comment on the matter :—

" What one cannot understand is the rapidity and persistence with which construction of such chawls is advanced on the face of such rigid and valid objections. It is high time that further construction should be stopped and ways should be found out to prepare better designs, and to work them cheaper than at present."

(" Bombay Chronicle, " dated 25th May 1923.)

METHOD OF CONSTRUCTION

28. Having decided to provide an additional number of one-room tenements in Bombay and having determined to find the finance for it from the provincial loan and the cotton cess, in order to achieve these results quickly and if possible within the period of his office, the late Governor, who was fond of impressive measures, determined to cut the gordian knot by creating a department " new and up-to-date " for the purpose of carrying out this programme. I am convinced that if the Public Works Department had been entrusted with this work, they would not have done so badly, because there was a nucleus of experience and of tradition with them, and it is for the public to judge what has been the achievement of this ' ad hoc ' authority created for the purpose. Sir George Lloyd said on 3rd August 1920, in introducing the City of Bombay Improvement Bill :—

" But, for the control of this reorganization as well as for the elaboration of the schemes tending to the rapid, businesslike and orderly expansion of our policy, Government propose to constitute a special department of Government working directly under Government, but hampered by a few red tape rules and as little trammelled by old-fashioned methods as possible."

In the light of what has occurred it is deplorable that an attempt was made to disparage the work of the Improvement Trust who have according to Mr. Cadell

" succeeded in rebuilding almost all the 26,000 tenements which they have demolished."

His Excellency further said on the 3rd August 1920 :—

" What I have stated is that we merely desire our own authority to be as expeditious and efficient as possible. Instead of dealing with any over-worked and highly-charged department, we are creating a department of our own, new and up-to-date, to deal solely with these matters, with no additional powers of any kind."

29. It is wellknown that the request from so many quarters to make this Department a transferred subject as the Public Works Department of the Government of Bombay is under a Minister, was disallowed. It is also wellknown that the status of the Advisory Committee attached to the Department was not altered to that of a controlling or executive board in spite of frequent requests to that effect from the beginning. The following from the Honourable Mr. P. C. Sethna

will be read with interest. Speaking in the Council at the final reading of the bill on the 29th September 1920, he said :—

" In ordinary circumstances, the Bombay Municipality would have perhaps felt it a grievance, and considered it an encroachment upon its privileges, that the work of constructing so many thousands of tenements, particularly with the help of the duty to be specially levied on cotton bales arriving in Bombay City, should not have been entrusted to it. But, under existing conditions, the Municipality realises that its hands are full at the moment with several large schemes which it has in view, and also the Municipality, within a few months, will have thrown on its shoulders the work of the Improvement Trust. In view of this we endorse your action in appointing a special and a separate department of Government for carrying out the scheme, although as the Honourable Mr. Chunilal Mehta and the Honourable Sir Dinshaw Petit have said, I think, perhaps the task might have better been entrusted to a newly created executive body on the lines of the Improvement Trust or the Port Trust."

30. Having created the Department, it does not appear that all the methods of securing economic construction were probed into. Writing to the Government of India on 30th September 1919, the Government of Bombay said :—

" It is proposed to carry out the work by contract and Government have good reasons to believe that when they are in a position to announce their schemes they will be able to induce contractors of great experience and resources to establish themselves in Bombay in order to undertake work in this and other schemes as proposed."

I have not been able to trace any such attempt and the departmental records, for which I asked, were not made available to me.

31. While the reasons for doing the construction work departmentally were obscure, a certain amount of mystery also hangs over the costs to the Department of the chawls constructed departmentally. In a note on this subject by Mr. Harvey, the Executive Engineer, I find that the first estimate of the departmental chawl was Rs. 1,27,150, *i.e.*, about Rs. 1,590 a tenement. This was the estimate, but the Department is unable to give the actual cost of the chawls built by them. In response to a request for these figures I have received the following :—

" It is not possible from the abstract of works register to show the cost of departmental chawls at each of the centres where chawls were constructed departmentally.

" Departmental chawls were constructed at two centres only,—Worli and Naigaum, plot A.

" At Worli the twenty chawls of plot A were started departmentally and when in various stages of completion the finishing of same was given out on contract at the rates tendered for similar works on new chawls, only seven chawls were completed departmentally. The accounts were maintained for the chawls as a whole and not for individual chawls or blocks of chawls. It is not possible therefore to differentiate between costs.

" Regarding Naigaum, plot A, the accounts were originally maintained separately for the departmental and contract chawls, but subsequently many common charges to the two systems were added with the result that the registers do not give the required information."

It is obvious that the Department does not know what it cost to construct the chawl, but they must have had a vague general notion that it was costing them very heavily. Some time before March 1923 and after December 1922 it appears that decision was taken to go over to contract system. Speaking on 6th of December 1922, Sir Lawless Hepper said :—

" In these three areas (Naigaum, Worli and Delisle Road) 196 blocks, or 15,680 tenements, are either under construction by departmental agency, or have been let out on contract."

32. The costliness of departmental activity in contrast with contract work is an accepted fact as applied to construction everywhere and no papers have been placed before the Committee to indicate that contract work could not have been undertaken at the start.

33. The Department did not deny that the departmental work was very costly, but what the cost was has never been indicated. Therefore what the saving was by going over to contract system is also somewhat obscure. In any case lot of money appears to have been spent when the work was being done departmentally. Any reasonable business query by a public man was disliked as an attack on the rights and privileges of the Department.

Mr. Lalji Naranji, writing to the " Times of India ", dated the 9th June 1923, made the following public enquiry :—

" How much money has been spent on experimental work on Worli chawl construction ?

(2) Is it true that S.E. No. 1 permitted Major Gammon and Co. to take their own designs and increased the tender rates when the tenders had been called for and accepted on the old designs and at much lower rates and whether any test was applied to the old designs before they were rejected in favour of Messrs. Gammon and Co.'s designs while some of the chawls were built on the old designs ? What has been the loss to the Government owing to this ? "

These enquiries he also submitted to the Department from his place in the Advisory Committee. The fate of these enquiries is described by Mr. Bole, in his letter, dated 5th June 1923, to the " Times of India " :—

" The Director is simply an executive officer and as such he has to execute the orders of Government and the members are simply to give advice on matters which are referred to them. They are not to interfere with the internal management. "

34. While the departmental activity did not do any good to Government, who incurred heavy costs,—a fact which is now admitted,—it did a lot to retard building work generally in the city by raising prices. Mr. Jamshedji P. Mistri, writing to the " Bombay Chronicle " of 25th May 1923, says :—

" By Government undertaking to build these chawls, prices of materials and workmen have been so much raised for ordinary builders, that they cannot build buildings now as cheap as they were doing before the Government interfered."

In any case a costly legacy of departmental work was left over in the onerous contract of cement and other materials, which all contractors were asked to accept at Government's fixed rates.

35. A lot of material was ordered out in a hurry in greater quantity than was required and to wrong specification. This fact was elicited in the Legislative Council with regard to steel bars of certain sections that had to be sold afterwards at a great loss.

Particulars of the total cost per tenement during the departmental activity were asked for and were not made available. The inference is, therefore, unavoidable that full and proper records were not kept during this period of rush work and the cost per tenement was not ascertained for the period during which work was being carried on departmentally.

36. When the contract system was adopted, it was understood that contracts were going to be placed on the basis of cost *plus* 10 per cent., the basis that was adopted for the purchase of cement. The Indian Merchants' Chamber, in a letter dated 8th November 1920, protested against the adoption of this system when contractors were ready to quote full inclusive rates. Mr. P. W. Monie, Secretary to the Development Department, in a letter, dated 19th November 1920, could not give the assurance that this would not be done, but promised that the matter would be considered. Fortunately the timely protest of the Chamber prevented contracts being placed on this ruinous basis.

37. A complaint was heard about this time that contracts were not being given to Indian firms and to lowest tenderers. This complaint had been reiterated frequently and the last expression of it was in the speech of Mr. K. F. Nariman at the Congress House on 27th March 1926 in the following words :—

" There had been cases in which tenders, which were lower by thirty or forty thousand rupees for the chawls, were rejected and the higher tenders accepted by the Department."

On enquiry I find that while it is true that the lowest tenders were rejected, the difference between the lowest and the successful tenders was at no time as great as Mr. Nariman mentioned. At the same time the reasons for these rejections do not appear to be satisfactory. Messrs. Pallonji Edulji and Sons were not given a contract because they " were not willing to accept the inclusive rates for these items as tendered by Messrs. J. C. Gammon and Co." Messrs. Marsland Price and Co. were not given a contract, because their " reputation for reinforced concrete work in this City was not all to be desired and also their programme of construction was unsuitable." Amongst the Indian firms of contractors these two firms are well-known in Bombay and have the reputation of being enterprising and efficient. That neither of these, though they put in their appearance at the time of tenders, were successful is significant and speaks volumes to my mind for the forces, which determined who the successful tenderers were. The fact that some of the successful tenderers were absolutely new firms and that in one firm at all events the main force was an old employee of a Government Department itself is also to be noted. There is, besides, the other reason given for rejecting lowest tenders and that was,

that " work of good quality could not have been turned out at these rates ". I have not known of any case where if a reputable party puts up a quotation, his quotation would be turned away as too low ! The other reasons for rejecting some tenderers were that—

(*a*) " Many of the rates for main items of work were too low and it was not possible to do good work on them ; had reasonable rates been substituted, their tender would have been very much higher ;

(*b*) " They had really no competent engineer to place on the work ;

(*c*) " They could only find a capital of 1½ lakhs of rupees which was not sufficient for a work of this magnitude."

38. The concern of the Department as to the organisation which the contractor had, was laudable, but, in practice, wherever there is a slightest uncertainty about the contractor being unable to carry out his work, a larger deposit is asked for. On enquiry as to what deposits were asked, I was given the following table :—

Statement showing the security deposits taken from the various successful tenderers for the construction of the Development Directorate chawls

Serial No. and Name of contractors	Site	No. of chawls allotted	Amount of earnest money converted into security deposit per chawl	Total
1. Messrs. The Indian Construction Co., Ltd. ..	Naigaum plot A.	10	Rs. 20,000 for all chawls.	Rs. 20,000
2. Messrs. J. C. Gammon, Limited ..	Do.	10	500	5,000
Do. ..	DeLisle Road	20	500	10,000
3. Messrs. Oodey Singh and Brothers ..	Do.	6*	500	3,000
4. Mr. V. M. Hassan ..	Do.	6†	....	....
5. Messrs. Chottani and Company ..	Naigaum plot B.	23	500	11,500
6. Messrs. Bombay Concrete Construction Co., Ltd. ..	Worli ..	80	500	40,000
7. Messrs. C. A. Gaya and Company	Do. ..	26	500	13,000
8. Messrs. The Ferro-Concrete Construction Co. ..	Sewri ..	16	500	8,000

* Additional Rs. 3,000 were taken from these contractors for allotting further 6 chawls owing to the revision of the contracts of Messrs. Oodey Singh and Brothers and Mr. V. M. Hassan.

† No security deposit was paid by these contractors, but 5 per cent. of the value of work done was withheld from their bills by way of their security deposit. This was because they commenced the work on labour contract only.

The actual deposits asked for were therefore too low being something between ½ and 1 per cent. and if a system of larger deposits had been introduced, the Department would have felt greater safety in accepting the lower tenders, which they rejected.

39. In one case the reason given for not accepting the lowest tender was that on the basis of the programme given by the lowest tenderer, " the amount of loss that would have accrued through loss of rent,—assuming that the chawls would be occupied immediately on completion,—" had to be taken into account and the lowest tender has to be rejected." This refers to the contract for 16 chawls (since reduced to 12) at Sewri. But the rooms were at no time very full at any centre. At Sewri itself the position is as follows :—

No. of rooms at Sewri	Percentage of vacancy
960	62·8 (as at March 1926).

I do not wish to draw any other adverse inference out of this, but even the best friends of the Department must admit that such a procedure was unbusinesslike and the anxiety to rush building was not justified by the conditions prevailing.

COST OF CONSTRUCTION

40. The cumulative effect of these errors committed by the Department, as pointed out above, has increased the cost of construction. The original cost for 50,000 tenements mentioned by Sir George Lloyd on 3rd August 1920 to the Bombay Council was Rs. 5,50,00,000. Mr. Bell in a letter dated 10th January 1925, indicated that the programme of construction of the chawls was as follows :—

	Amount	Programme of construction put forward by Sir Lawless Hepper on 6th December 1922	Rate per tenement from columns 2 and 3
	Rs. Lakhs	Chawls	Rs.
1921-22	51	15	4,250
1922-23	80	45	2,222
1923-24	102	75	1,700
1924-25	123	90	1,708
1925-26	136	100	1,700
1926-27	136	100	1,700
1927-28	136	100	1,700
1928-29	136	100	1,700

Mr. R. D. Bell, writing on 17th February 1926, said about the housing scheme :—

" The total expenditure incurred by the Department to end of the current financial year including payment of interest charges will approximately be as follows :—

Industrial Housing Rs. 428 lakhs."

Taking the number of erected at 16,544, the total cost of 50,000 tenements on this basis would be Rs. 12,93,50,000 as against Rs. 5,50,00,000. The cost per tenement has, therefore, been as follows :—

Original	Actual
3rd August 1920	17th February 1926
Rs. 1,100	Rs. 2,587

41. The Department must have been aware before they ever started on the construction that the cost was going to be high. According to a note by Mr. Harvey, the original estimates were apparently based on a model which had cost Rs. 1,27,150 for a chawl of 80 rooms. Besides this, there was the cost of land. Therefore, the increase from five crores to at least nine crores if not 12½ was known to Government, but was never indicated at any place or in any of the reports published by the Department.

42. Mr. Bell, writing further, in his note dated 17th February 1926, said :—

" The capital account remains, however, at 3½ crores since the interest charges up-to-date have been written off against receipts from the town duty on raw cotton."

Why this should have been written off from the town duty, *i.e.*, the cotton cess, has not been stated. The cotton cess was instituted to meet losses which may be incurred on the housing scheme. The losses in ordinary parlance are revenue deficits. Interest during construction is clearly an item, which must fall on the capital. The report of the Audit Officer of the Development Scheme as well as the general audit report of the Bombay Presidency have been asked for by me and the Department has been reminded several times about this request. I am told that the Audit Officer of the Development Scheme has made no report of any kind, but has only prepared the Capital and Revenue Accounts, which were made available to members of the Committee. I was ultimately given the general audit reports of the Bombay Presidency, but these reports contain references on only one or two isolated issues about the Development Department expenditure. With regard to the reports of the Auditor on the Development Department, I was told that no such reports existed. I cannot think that any auditor would permit the writing down of the interest during construction from cotton cess, which was intended to be a subsidy to the poor man, to make up the difference between what he can afford and the more healthy housing which is conceived by the community

to be the minimum standard of existence. The cotton cess was not meant for covering up departmental extravagance and increased cost.

43. The statement of capital cost amounting to Rs. 3,42,72,000 is as follows :—

Actual for 16,544 rooms—Letter of Department dated 25th June 1926.

	Per tenement	Rs.
Land	326·70	54,05,000
Chawl construction	1,378·02	2,28,00,000
Sewerage connecting drains	49·33	8,16,000
Temporary Pumping arrangements	00·48	8,000
Water supply distribution system	40·13	6,64,000
Storm water drains	26·59	4,40,000
Paving round chawls	23·63	3,91,000
Temporary shedding for stores	9·55	1,58,000
Earth filling	3·88	63,000
Cleaning and Levelling grounds, etc.	8·46	1,40,000
Coolie Lines	0·80	14,000
Lighting of plots	2·17	36,000
Roads including footpaths	19·41	3,21,000
Repairs and Maintenance	1·51	25,000
Tools and Plant (net)	22·24	3,68.000
Railway sidings (net)	10·80	1,79,000
Expenses such as loss in working machinery, increased cost of cement, etc.	37·83	6,26,000
Miscellaneous	8·50	1,42,000
Establishment	101·30	16,76,000
	2,070·70	3,42,72,000
Interest and other charges during construction	516·0	85,28,000

44. The reasons for the increase from the original estimate of Rs. 1,100 per tenement have not been analysed by the majority report, but I consider it necessary to do so.

The outlay of Rs. 326·7 per tenement for land seems to me to be too heavy. With regard to the land at DeLisle Road, the Department says in the report, dated 31st March 1922, as follows :—

" So far, the only land it has been possible to acquire outside Improvement Trust Schemes is that at DeLisle Road, which provides for 33 chawls or 2,640 tenements, and cost Rs. 21 per square yard a rate which it would not be economically possible to pay except for an insignificant proportion of the total area required."

It is presumed that the rest of the land was taken from the Improvement Trust and I am inclined to think that owing to delays in acquisition the departmental organisation was lying idle for some time. This must have increased the cost on items other than land. With regard to the land at Worli the site chosen could not be regarded as satisfactory as it involved pile foundations, which also raised the cost. The departmental report for the period ending 31st March 1922, said :—

" In the case of chawls at Worli pile foundations have been found necessary as the ground has recently been filled in by the Improvement Trust."

45. The Department themselves became conscious of this when it was already too late. In their report for the period ending 31st March 1923, they said :—

" Owing to the lack of pressure in the municipal mains, and to the want of low level sewers of adequate capacity in the neighbourhood of the chawl areas, it has been found necessary to instal temporary arrangements for pumping water to chawl roofs, as well as those necessary for the drainage and disposal of the sewage of the areas under occupation. The conditions referred to are not likely to be rectified for some years, and must entail considerable additional work and expense to admit of the buildings being occupied."

An expenditure of Rs. 60,00,000 has been incurred on the housing scheme apart from outlay on land and actual construction of chawls. If 5 per cent. is allowed as reasonable overhead charges on these outlays, it would account for a sum of Rs. 14,10,000 leaving a sum of Rs. 45,90,000, *i.e.*, about Rs. 277·5 per tenement which has been expended. The need for this expenditure has not been clearly shown and much of it was due to the selection of the sites, because, if sites had been selected where drainage and water supply provided by the Municipality was available, a large bulk of the expenditure need not have been incurred. The

heaviest items accounting for this expenditure are tools and plant, roads including footpaths and lighting, pavement round chawls, storm water drains and water supply.

46. Taking the difference between the outlay of 342 lakhs and 428 lakhs the total outlay including interest, *i.e.*, a sum of 86 lakhs or about Rs. 516 per tenement is accounted for by interest, sinking fund and similar charges during construction. This also is an unduly heavy burden and could have been avoided if the type of building chosen was not that of cement and if the total requirements had not been miscalculated and if the progress of buildings were adjusted to the actual demand.

47. If the need for all these charges, which account for the increase of cost and therefore the increased economic rent, which must be either secured from tenants or made good from the tax-payers, was there, it is surprising that it was never definitely stated. I do not know whether the Government clearly realised that some of these charges would be incurred. In the original estimate as it was put forward at the time the City of Bombay Improvement Trust (Cotton Cess Duty) Bill was introduced, no mention was made of any of these items. Had it been then given out that a tenement was then estimated to cost Rs. 2,000 and had it been known that it might actually cost as much as Rs. 2,587 those who were aware of the resources of the working classes would have immediately called halt and would have given it as their emphatic opinion that such a tenement was going to be too costly to be useful and in order to get it occupied at all by the working classes, the subsidy from the general taxpayer would have to be very much greater than what was indicated by Government.

48. There was public apprehension that the cost was going up and there was an outcry that there was waste, if not corruption. The Governor of Bombay in his inauguration speech on the 6th of December thought it necessary to give an assurance in the following words :—

" They are being provided moreover at a price which closely approximates the estimates made by the Directorate no less than two years ago, and we are confident that their bulk production is going to reduce costs very considerably."

This assurance was repeated in the departmental report for the period ending 31st March 1923 :—

" It is likely, however, that further reductions will be effected in future and that the average cost per tenement over the scheme will be reasonable."

49. It would have been much more straightforward if the Government had said what was the original estimate and what was going to be the cost. I venture to think that they did not know. The tax-payer of Bombay has a right to ask why Government launched out on the scheme on this scale under these conditions of uncertainty and why when they discovered that the cost per tenement was becoming very heavy and that, therefore, the possibility of letting out tenements at economic rents was becoming more remote, why they did not make these matters public, why they did not slacken their activities and take the Council further into their confidence ? As against Rs. 1,100 originally estimated the Government knew that for land they were putting out something like Rs. 326·7 per tenement. They further knew that the basic cost of construction was over Rs. 1,590 (*vide* note No. W-1-2904 dated 10th May from the Superintending Engineer, Housing and Suburban Circle). This gives the figure of Rs. 1,916·7 per tenement exclusive of lighting and all other extras. This must have been known to Government before a single chawl was built. There is no doubt that the Government could have saved a large amount of public money by reducing their programme at an earlier date than when they did. Further they reduced their programme not because of the cost, but because of the impossibility of finding tenants as will be seen from the table given in paragraph 72 of vacancies in the chawls. This could have been foreseen, because after all there is a very severe limitation to the amount of outlay on rent which the tenants, who were expected to occupy these tenements, could make from their income.

ESTIMATED LOSS ON THE HOUSING SCHEME

50. The Government must have known that the estimated loss on the housing scheme was going to be increased very far beyond what it was expected.

In introducing the City of Bombay Improvement Bill on 3rd August 1920, the Governor said :—

"I will confine myself to saying that our rough estimate of the cost of these 50,000 tenements is some Rs. 5,50,00,000. According to our estimate, the annual loss entailed by the scheme will amount to Rs. 13,50,000."

Sir George Curtis before the Royal Society of Arts on 15th July 1921 was equally confident and said :—

"The loss expected on the housing scheme, *i.e.*, the difference between rent received on the one hand and interest charged on the other, is expected to be 13 lakhs per year. It is calculated that the appropriation of this sum of 13 lakhs from the cotton duty will render it possible to meet the loss on the housing scheme and provide a sinking fund for the repayment of the loan in 50 years."

During the whole interval apprehension was being felt that more taxation would be necessary to meet the losses from the extravagant activities of the Department. Attempt was made as late as February 1924 to allay these apprehensions; at a time when the Government should have had all the facts in their possession, Mr. Cadell as Finance Member of the Government of Bombay, speaking in the Council on the 19th February 1924, said :—

"And if it be found eventually that they cannot be built at remunerative rates, we have the share of cotton cess levied on cotton used in or exported from Bombay of Rs. 15 lakhs a year, together with the profits which I have above indicated are inevitable from the Back Bay Reclamation as our solid guarantee fund. Mr. President, we can proceed with this great work in full and certain confidence that we are building up the prosperity of Bombay on the solid basis of the improved health and happiness of the labouring classes."

The same assurance was reiterated by Mr. Cawasji Jehangir speaking in the following month in the following words :—

"There will be no loss as the deficit resulting from the letting of rooms below economic rents is made good from the cotton cess revenue allotted for the Industrial Housing Scheme."

51. These two gentlemen were speaking when out of 3,920 rooms declared ready for occupation, only 2,707 were filled up, that is, there was a vacancy in the housing scheme of 31 per cent. I am told that in order not to show the proportion of vacancy as particularly heavy, chawls of construction that were completed, were not always handed over. This must have been so as will be seen from the following table :—

Year ending 31st March	Number of rooms available for occupation	Number of rooms occupied
1923	1,365	1,040
1924	3,920	2,707
1925	6,224	3,180
1926	7,016	3,238

If on 31st March 1926 the number of rooms ready for occupation was 7,016, how is it that the actual number completed is 16,544 according to the letter from the Secretary to Department, dated the 25th June 1926, and the percentage of vacancies calculated accordingly ?

If they had given any thought they would have seen that the provision made from the cotton cess towards the housing programme would not be enough to make up the deficit. The exact figure of loss as it is going to be borne by the taxpayer in future could only be seen from a careful analysis of the accounts.

ACCOUNTS

52. On the accounts side the weakness of the Department has been frequently remarked upon. A statement of receipts and expenditure, which was given in the administrative report during the year 1920-21, seems to have been omitted from all subsequent reports for reasons which have never been explained. Particulars of repairs and maintenance charges, which have been given in paragraph 60 would indicate that there was a considerable divergence and the same headings were not, therefore, uniformly given for instituting a comparison.

The Capital and Revenue Accounts had to be cast several times and in fact have been recast over and over again. This was mentioned by the Audit Officer in

his note giving a further set of Capital and Revenue Accounts. Calculations of interest were sometimes made and sometimes not made and they were made at different rates. Whatever the system of accounts was originally, it was found necessary from time to time to strengthen it and the Government of India, who had lent out money considered it necessary to attach a Financial Adviser to the Department. Reports made to, or by, this Officer have not been made available to the Committee.

53. The auditing of the accounts must have been very unsatisfactory. As the Audit Officer only prepared Capital and Revenue Accounts, some relevant comments from the Accountant General, Bombay, in his audit report of the province bearing on the Development Department's housing activities are given in Appendix A.

An extraordinary departure with regard to pre-audit system was made in connection with the Development Department. Such a method is contrary to the established practice of all other Government Departments and there was no reason to adopt an absolutely new system,—a system which has not been applied to the Public Works Department of the Government of Bombay.

From the Capital and Revenue Accounts which have been prepared, it is obvious that uniform estimates were never put up and almost every estimate for chawls was revised.

54. The following tables are instructive :—

	Estimate of receipts	
	Original (19th September 1925)	Revised (Majority Report)
	Rs.	Rs.
Rents at revised rates allowing for 10 per cent. vacancies	14,85,480	13,26,936 (also allowing bad debts).
Cotton cess (average for last four years) ..	15,70,000	16,33,700 (actual for 1924-25)
Total ..	30,55,480	29,60,636

	Estimate of expenditure	
	Original (19th September 1925)	Revised (Majority Report)
	Rs.	Rs.
Interest and Sinking Fund	23,76,000	22,68,854
Municipal Taxes	3,34,000	1,98,792
Management and establishment	1,33,000	1,62,000
Engineer's establishment	36,000	40,400
Accounts establishment	....	12,000
Audit establishment	12,000	12,000
Commission to Rent Collectors	....	12,500
Repairs	1,50,000	2,07,000
Sanitary stores, etc.	20,000	20,000
Pumping	80,000	....
Rent at Sewri	....	14,000
Total ..	31,41,000	29,47,546

These figures appear to me to be deceptive and misleading. On the revenue side the figure of rent is put down at Rs. 13,26,936 allowing only 10 per cent. for vacancies and bad debts ; in other words, it gives a monthly collection from the chawls by way of rents at Rs. 1,10,578. The maximum monthly collection

hitherto has not been more than Rs. 31,213. In Worli, where over 60 per cent. of the chawls are located, over 95 per cent. of the rooms are vacant as against the 10 per cent. assumed in the estimates. The percentage of vacancies in other centres is as follows :—

	Per cent.
Naigaum	65
Sewri	62·8
DeLisle Road	46·8

The Majority Report, drafted by the Director, expressed the following hope :—

" The total number of tenants is now 3,600 and seems likely to reach 4,000 in the course of the year. "

This would be well under 25 per cent. occupation and therefore over 75 per cent. vacancy. What is the use of estimates based on a 10 per cent. vacancy basis if the actual position is something like this ? It can only give an exaggerated idea of the revenue and therefore divert attention from the heavy loss, which the Department must incur and which must be made good from general revenues during the next year.

55. As for the receipts of the cotton cess, the original estimate was based on a four years' average, which I consider to be sounder. The revised estimate at an increased is the actual for the last year. I do not know whether the cotton trade may not be diverted from Bombay to other ports, but I share the apprehension, which has been expressed, that the cotton trade may be so diverted. This was foreseen by shrewd men as early as 1920. Mr. Manmohandas Ramji, speaking in the Council on 3rd August 1920, said :—

" I am afraid that perhaps this Rs. 2 may act as a means of diverting the trade of Bombay to another port, and if that should happen we shall have to be very careful about it, and I think, due consideration will have to be paid to this point. "

An inquiry into the effect of the cotton cess on the cotton trade of Bombay ought to be held. If it is then found that the trade is being diverted elsewhere, the revenue from cotton cess would tend to go down and it is just as well to be prepared for such a contingency.

56. On the expenditure side the Department has revised the position and shown the expenditure as nearly two lakhs less as the result of that revision. The rate of interest, which was originally reckoned in the departmental conclusion, was 7 per cent. (*vide* Appendix B). It is now reckoned at a lower rate, which would be in order if the Department is paying a lower rate. So far as the rate of interest is concerned, the Government choose a wrong moment for constructing the chawls. 6½ per cent. free of income tax, which was given for the first Development Loan, is the heaviest rate ever given by Government. Borrowing at such a rate will be justified for an emergency, but not for social reform. It is so obvious that in the matter of housing, interest is a serious charge. Housing by public authorities should not be therefore undertaken except when they can borrow at very low rates. Conversion of old loans is desirable, but is only possible for the short period loans as it is difficult to induce the holder of Government Security to give up the advantage of a higher rate of interest if he can hold on to it.

SINKING FUND AND DEPRECIATION

57. The sinking fund on housing schemes was originally reckoned at 28 years. It was deliberately altered in 1920 by an act as applied to the Improvement Trust to enable them to reckon sinking fund for 50 years instead of 28. Fifty years was the period also mentioned by Sir George Curtis.

" The loss expected on the housing scheme, *i. e.*, the difference between rent received on the one hand and interest charged on the other, is expected to be 13 lakhs per year. It is calculated that the appropriation of this sum of 13 lakhs from the Cotton Cess will render it possible to meet the loss on the housing scheme and provide a sinking fund for the repayment of the loan in 50 years. "

(Sir George Curtis before the Royal Society of Arts on the 15th July of 1921).

The sinking fund is now reckoned at sixty years. The Department must have had justification for this. A question was raised in the Committee, but it did not appear that any reputed architect's opinion was taken as to the life of the chawls and whether they will survive sixty years.

DEPRECIATION

58. I was surprised to see that no depreciation was provided for in the accounts as it should be before either profit or loss is reckoned. The justification for this was found in the practice of the Public Works Department where no depreciation is provided for on Government buildings, but Government buildings are constructed out of revenue. In the case of irrigation and other works, the works are practically perpetual if they are kept under proper repairs, but buildings are not perpetual. A careful system of accounts would involve the setting aside of depreciation. Such provision is now being made for railways and other commercial departments of Government. The depreciation on buildings is usually reckoned by private owners at 2½ per cent., thus giving a life of 40 years. Whatever the ascertained life of a concrete building may be, depreciation ought to be provided on that basis, because, otherwise the sinking fund, which merely provides for the repayment of the loans, would enable the loans to be paid off, but new loans will have to be incurred for rebuilding. I made enquiries as to whether there were any rulings under the Accounts Code or any special orders of Government why depreciation should not be provided, but no reply was vouchsafed. The provision of depreciation would increase the deficit and place the burden on the present taxpayer, and if it is not provided it should be clearly understood that this is transferring a portion of the burden on the next generation. If there had been a surplus out of the housing scheme, the argument for the provision of depreciation would be unanswerable. As it is, I merely draw attention to the fact as an illustration of the lax practice of public bodies. In a note (without date) prepared by Mr. S. M. Lahey-Bean, the Audit and Accounts Officer of the Development Scheme, I read

" the question of charging depreciation on all the buildings of the Directorate is still under the consideration of the Government. Orders are, however, expected very shortly. "

It is evident, therefore, that the problem of depreciation did come under review and it will be interesting to know if the considered opinion on this subject was given out to the public indicating reasons why no depreciation is provided.

59. The reduction in municipal taxes of about Rs. 1,35,208 is the result of negotiations and must be regarded as a direct subsidy from the Municipality towards the housing scheme. This is a laudable step on the part of the Corporation provided they realise the good which they are doing.

60. Mr. Baptista regards the expenses for management and for repairs as too high. The Department could be trusted to have revised this figure down to the minimum, as they could not be anxious to show a great deficit. Both these charges must appear heavy in comparison with the actual rents collected last year, *viz.*, Rs. 3,46,749. Both these charges appear to me very low if account is taken of the total capital cost. The repairs provided are about Rs. 1,000 per chawl of 80 rooms a year. In a wood and masonry chawl, this figure would not be regarded at all as extravagant having regard to the cost even of common whitewash once a year. Experience alone can show whether the maintenance and repair charges provided are, or, are not too low. The figure of maintenance charges actually spent during the last three or four years is quite eloquent. The figures are :—

REPAIRS AND MAINTENANCE

Housing—	Rs.	Rs.
1922-23		
Naigaum	61,000	
Worli	..	
DeLisle Road	..	
Sewri	..	
		61,000
1923-24		
Naigaum	2,47,500	
DeLisle Road	4,000	
Worli	3,500	
Sewri	..	
		2,55,000

		Rs.	Rs.
	1924-25		
Housing—			
Naigaum		33,500	
DeLisle Road		33,500	
Worli		69,000	
Sewri		29,000	
			1,65,000
	1925-26		
Naigaum		..	
DeLisle Road		..	
Worli		..	
Sewri		..	
			6,83,000
Provision of repairs in future according to Majority		2,07,000	
Contrast this with the amount estimated by the Director of Development in note, dated 20th August 1923		3,97,056	

61. In a departmental note, dated 19th September 1925, when the expenditure was calculated at Rs. 31,41,000, it was said that " the annual loss at present shown as Rs. 85,000 would be therefore wiped out before long and it may be possible to maintain the present scale of rents, but it depends on 90 per cent. of the rooms being occupied, of which there seems little prospect at present." This was the note prepared for the benefit of the Advisory Committee. As a result of discussion which happened in the Committee, the Department is reconciled now to the following position :—

" At this figure there will be a loss of between five and five and a quarter lakhs per annum on the whole scheme, if rents are fixed as recommended in the preceding paragraph ; in other words, the share of the cost of the scheme borne by taxation will meantime be per annum Rs. 16½ lakhs from the cotton cess and over Rs. 5 lakhs from other sources, total, say Rs. 21½ lakhs. "

Unless a miracle were to happen, I think this figure will be considerably exceeded, though it is always possible in times of stress to suspend incurring repair and other charges.

62. At 4,000 rooms at an average rent as provided in Majority Report the position will be something like the following :—

	Rs.	Rs.
Rent not allowing for bad debts	3,60,000	
Cotton cess	15,00,000	
		18,60,000

The expenditure on the other hand is shown as Rs. 29,47,546 and the deficit calculated is on the basis that if all the rooms are not occupied the payment to the Municipality and other charges will be less. But the question is, will they be less by Rs. 9,66,936 a year ? At the rents suggested by me I expect 95 per cent. recoveries of rents on the following basis :—

	Rs.	Rs.
Total rent on 207 chawls per month	66,960	
Less five per cent.	3,348	
	63,612	
Total rent per year		7,63,344

If the general taxpayer is to pay a sum of Rs. 21½ lakhs in any case according to the majority but possibly a sum nearer Rs. 25,69,546, then I think it is better to get the rooms occupied by fixing rents within the reach of the working classes as I have suggested.

63. Having gone on merrily spending and breaking almost every principle of political economy, the Department tried to fix an " economic rent." This economic rent had little or no reference to the prevailing rents in Bombay for

the same class of accommodation as borne by the working classes. The method of determining the economic rent adopted by the Department will be indicated in Appendix B and the result reached was Rs. 14-8-0. It will be seen that the contribution from the cotton cess was taken at Rs. 54 per room, *i. e.*, Rs. 4-8-0 per room per month. The actual contribution from the cotton cess of 16,544 rooms would be Rs. 7-14-0 per tenement per month. It is a pity that with a contribution of this size which falls on the cotton cultivators of Bombay and of further parts whose cotton passes through the port of Bombay, the Department is still unable to reduce the rent so as to bring it within the reach of the working classes.

64. The fact that rents fixed by Government were very high would be seen from the following comments :—

Mr. G. B. Trivedi, writing in the *Bombay Chronicle*, dated 15th September 1924, says :—

" The reason why Development rooms are not filled up quickly is that their rents are still beyond the capacity of ordinary mill-hands. "

On the question of rents, Mr. Jamsetji P. Mistri, writing to the *Bombay Chronicle* of 25th May 1923, says :—

" It is said that the rent of the room works up to fourteen rupees. At that rent these chawls would not be for working class at all. They would be chawls for artisans ; common labourers cannot afford to pay even the reduced rent of ten rupees per room. "

The *Bombay Chronicle*, on 16th May 1923, said :—

" What the discussion on chawl rents particularly lacked was the point about the co-relation between the ability to pay and the rent charged. Is Rs. 10 at all commensurate with the ability of the workers to pay ?.... Taking, however, the official statement of Mr. Shirras that ' three-fourths of the budgets fall within Rs. 40 and below Rs. 70 per mensem ' and his average family income at Rs. 52-4-6 per month, Rs. 10 is nearly 20 per cent. At present they pay a rent averaging 7·7 per cent. of their earnings, and it varies between Rs. 3-8-0 and Rs. 5 for the most part. Is it wise, is it fair, is it economic to ask for a sudden rise of from 100 to 200 per cent.? No one, indeed compels the worker to go into these tenements. But then for whom were these chawls built ? "

In the light of this the bombastic claim of the Department through the mouth of St. Nihal Singh will be very much disputed :—

" Government has fixed the rent at about 25 per cent. below the rate which would be charged if only a moderate return on the capital sunk was expected. If the tenements had been put up in the ordinary commercial way, the occupants would have to pay at least 50 per cent. more for the same accommodation."

65. The following table is instructive :—

	Original rents fixed by the Department				New rents proposed by the majority at the instance of the Department	Rents proposed by me in the Committee
	Ground floor	1st floor	2nd floor	3rd floor		
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Worli	9 8 0	10 0 0	10 8 0	10 8 0	6 8 0	3 0 0
Naigaum	9 8 0	10 0 0	10 8 0	10 8 0	8 8 0	5 0 0
DeLisle Road	9 8 0	10 0 0	10 8 0	10 8 0	9 8 0	6 0 0
Sewri	9 8 0	10 0 0	10 8 0	10 8 0	8 8 0	6 0 0

66. My object in proposing these rents was to begin at the other end. The standard, which induced me to propose these rents, was the standard ascertained by Government machinery. The Bombay Labour Office after very careful enquiry had stated that the rents paid by the workmen in Bombay were from Rs. 3-8 to Rs. 5 and it was on the basis of these rents that most of the calculations as to cost of living were made by them.

67. Apart from that, it was clear that the higher rents were tried and could not attract a sufficient number of tenants. The idea that the population of the City has been diminishing since the last census, is one which I share, but it cannot explain the enormous number of vacancies in the Development chawl. If the claim that the chawls of the Development Department provide better housing in every respect than the slums at present in occupation is true, then these chawls should have been filled up, and if the population had gone down, it would have been the

orthodox chawls under private ownership, which would have remained vacant. In order to ascertain correctly what is wrong with the chawls, the only remedy is to reduce the rents to the level which I have suggested.

68. Mr. Baptista in the Committee has charged me with being a capitalist and therefore incapable of understanding the labour's standpoint. I am, therefore, disappointed that Mr. Baptista has not championed the cause of labour by coming with me or writing separately a minute recommending the reduction of rents as low as I could. I think it is better to have a 95 per cent. occupation than a 95 per cent. vacancy. It is better that houses, which have been erected at such a large outlay of public funds, should be used by human beings than that they should remain locked up. The standard of environment is going up everywhere in the world and posterity will never be able to understand or forgive any authority in Bombay who, having built these tenements on a plan, which they have claimed to be superior, have closed them up against occupation by the artificial barrier of high rents.

69. At the same time in making this suggestion for lower rents, I have in mind that if the rents on the scale proposed by me are found unduly low, then after there has been full occupation for twelve months, it would be possible to gauge how far the rents can be increased *without driving away the tenants.* The more important thing in the housing enterprise of the Government is that people should occupy these houses. The deficit is already being made up from taxation to the extent of Rs. 15,00,000 a year. The Majority Committee suggest that the deficit will increase and further funds involving an additional sum of Rs. 6,50,000 would have to be found. It is possible that fuller occupation may reduce the amount of deficit, but should the deficit increase, as I fear it will, by a few lakhs, the problem has got to be faced. If the Government of Bombay decline to face it in 1926, the Government of Bombay will have to face it in 1928 and it is not right for the Committee to ignore this aspect of rent fixation. The rent should be fixed with the idea of achieving maximum public good of realising the humanitarian aspirations of the Government of Bombay when they launched out on this project. Sir Henry Lawrence has poohpoohed the accountant's standpoint in doing large things for public welfare, and yet the Government of Bombay in their policy in fixing rents for these Development chawls is sticking on to the accountant's standpoint and I must say that they are doing that also very badly. What they are doing is, in order to show on paper a smaller deficit and thus save their prestige, they are fixing up higher rents and by doing so they are now directly responsible for the continuance of slums in the city.

70. If 16,544 rooms were fully occupied at the rate of four persons per room as it is desired, but at the rate of five per room as the Government originally calculated, about sixty-six thousand human beings could move into these chawls from where they are at present, presumably inferior and overcrowded locations with all the attendant evils of slums.

MANAGEMENT OF THE CHAWLS

71. The record of the last three and a half years of the management of the chawls at the hands of the Development Department makes very dismal reading. It would appear at first that the Government of Bombay agreed with the public view that the chawls should not be managed by Government after they were ready. This view was expressed by the Honourable Mr. P. C. Sethna, speaking in the Council in the following words :—

" When the Improvement Trust was started in 1897, we were distinctly given to understand that that Trust would last for about 20 to 25 years, and Your Excellency's Government has now promised to transfer it to the Bombay Municipality. *I would like to know, Sir, if it is possible to inform me whether there is any intention that some day this Directorate will cease to exist or be transferred to the Municipality* and whether there is any time limit fixed or that Government desire that this Directorate shall continue as long as everything that is contemplated has been completed by it. With these few remarks, Sir, I support the first reading of the bill."

Sir George Curtis on 29th September 1920 said in the Local Council :—

" As His Excellency explained in his opening speech, Government have taken up the construction of the industrial tenements themselves, because they were convinced of the need for direct action, for prompt and vigorous measures for the removal of what is a very great

public evil, and they were satisfied that no local body had the staff or the land or the credit to carry out the necessary work, *but they have no wish to figure permanently as landlords of working class residences.* When the tenements are constructed and the rents stabilized, there is every reason why they should be transferred to a local body. Accordingly provision is made for the transfer to the Municipality, at their option, on 1st April 1936, or on a subsequent date, of the tenements in question on the Corporation indemnifying or recouping Government against their liabilities in respect of existing or future loans raised by Government with a view to the provision of these tenements. In order to enable this to be done, the amendments now proposed by the Committee provide for separate accounts being kept and for reference to arbitration in the event of dispute as regards the form and amount of indemnity."

The above quotation shows that the Government of Bombay have recognised that a local authority has greater competence in managing tenements than the Central Government working through "a department of their own new and up-to-date."

72. But the ideas of the Government of Bombay must have undergone considerable change thereafter to enable Sir Lawless Hepper on the 6th of December 1922 declare that these chawls.

"Will be taken over by the Estate Branch of the Directorate under the Land Manager, who will thereafter be responsible for the management of the property."

As the chawls became ready they were offered for occupation and the method adopted by the Department for attracting tenants was by means of the extension of circulars and vernacular leaflets amongst the millhands. The response was very poor as will be seen from the following table :—

Year ending 31st March	No. of rooms available for occupation on 31st March	No. of rooms occupied on 31st March
1923	1,365	1,040
1924	3,920	2,707
1925	6,224	3,180
1926	7,016	3,238

73. An attempt was made in the beginning to show that chawls were filled up as soon as they were offered for occupation. Mr. P. R. Cadell, speaking on 19th February 1924, in the Council on behalf of Government said that 90 per cent. of the chawls were occupied. It will be seen from the above table that this was not true at any time. The present vacancies are more than 75 per cent. on the whole estate and more than 95 per cent. on the Worli estate.

74. It is possible to argue that the Department cannot prevent the vacancies. But the amount of arrears in rent collection was also heavy. If the arrears indicated merely a temporary relief to tenants, it would not be so serious, but large amounts had to be written down as irrecoverable.

"Of the total arrears of Rs. 2,43,606 accumulated at the end of March 1926, Rs. 1,44,225 have been written off. Of the remainder it is estimated that Rs. 69,651 are irrecoverable and Rs. 29,730 are recoverable."

(Departmental Note, dated May 1926.)

75. The exact idea of arrears can be had from the following table :—

Year ending 31st March	Rent demand during the year	Collections for the whole year
	Rs.	Rs.
1923	22,657	13,970
1924	2,62,093	2,02,185
1925	4,73,401	3,74,561
1926	4,15,083	3,46,749

76. This was in spite of the fact that the Government have extraordinary powers, which no landlord possesses. These powers were further increased in 1924 by the application of section 6 of the Bombay City Land Revenue Act, 1876.

"It was arranged to appoint the Junior Assistant Land Manager to be an assistant to the Collector of Bombay under section 6 of the Bombay City Land Revenue Act, 1876, and for the Collector of Bombay to delegate to him his powers of recovery of rents in respect of the Directorate

chawls. The powers so delegated included, *inter alia*, authority to serve notices of demand, and attach the goods of defaulting tenants and sell them by public auction without having to resort to Court proceedings." (Departmental note.)

Any one would agree that these are very drastic powers to be exercised by any landlord. Irrecoverable arrears in spite of this reflect no credit on the management.

77. Very late in the day the Department did realise that everything was not right with the management of the chawls, which wanted quite a different kind of ability than that possessed by the various officers of the Department. On the 20th November 1925 we find that the Audit and Accounts Officer of the Development Scheme reported serious remissness and laxity on the part of the Assistant Land Manager.

"The vacancies are mainly due to the unpopularity of the chawls, for want of easy access especially at Worli and to some extent to the falling off in the demand for accommodation. Inefficient supervision on the part of the Assistant Land Manager and his staff has also contributed a great deal to the accumulation of arrears which will never be recovered."

"On the above inefficiency being brought to notice, Government have taken steps to improve matters by the appointment of a special Officer who took over charge of his duties on the 24th January 1925 and since then there has been a considerable improvement in the state of affairs."

The Department have appointed chawl superintendents and supervisors and sanitary visitors and considerable staff, but the position has not shown improvement except during the last three or four months. I now understand that Government are about to transfer the management of these chawls into the hands of the Collector of Bombay. It seems an undue duplication of management machinery to have certain chawls belonging to the Improvement Trust (now the Bombay Municipality) to be looked after by that body and certain other chawls also erected from borrowed public funds being looked after by a special machinery of the Government. In the comparison as far as I have been able to institute between these bodies, the Improvement Trust have invariably appeared as more efficient managers of their estate than Government. The original intention was also that the management of the chawls should be transferred to the Municipality.

78. I think the time has therefore come when this management should be transferred subject, of course, to financial adjustment as the municipality cannot take them over at what they have cost. There is no reason, however, why they should not take them over at ascertained replacement value as of to-day. The figure of this replacement value is not available, but the Executive Engineer has estimated that to build similar chawls now would cost Rs. 88,000 each. Another method of arriving at present valuation would be to capitalise the possible receipt of nett rent. If the Government of Bombay have thought it proper to write down the ascertained losses in connection with the Back Bay Reclamation Scheme as from to-day to the extent of three crores of rupees, I think it will be better for the taxpayer to know exactly what he has let himself in for from the housing programme. I consider that for an estate, which has actually cost $4\frac{1}{4}$ crores and whose capital cost is written in the books of Government at $3\frac{1}{2}$ crores, the present value would be somewhere between 2 crores and $2\frac{1}{4}$ crores. The rest amounting to about two crores must therefore be written down and the method for securing rents, which would be economic in the true sense of the word, *i.e.*, well inside the reach of the working classes or the amount which they can possibly spare for the rent every month, is not to secure merely a reduction of interest charges from conversion, but to remove the load of uneconomic expenditure as dead loss and to meet it in the only way in which the Government of Bombay have met the ascertained losses on the Back Bay Reclamation and to leave the rest of the estate to be then run on a business basis. In effect my suggestion comes to the same as the suggestion of the majority report, who estimate an additional deficite of $6\frac{1}{2}$ lakhs of rupees at least during the next few years. This deficit would be met by further taxation in addition to the cotton cess realisation to Government. I have already shown that the additional deficit would not be six lakhs, but nearer ten lakhs. If two crores were therefore written down as dead loss on this scheme and the interest and sinking fund charges were made the first charge on the cotton cess, about 14 lakhs of rupees a year would go away from

the revenue figure as well as the expenditure figures. This would, besides making the position clear to the taxpayer and the community, take away the ridiculous position in which the Government find themselves, *viz.*, of having realised less than 1 per cent. gross on their estate last year. The total rent collection during a year was Rs. 3,46,749, which therefore gives them well under 1 per cent. on the total outlay. Sixteen lakhs of rupees a year from the cotton cess provide about 4 per cent. on the total outlay. With a 4 per cent. subsidy if the additional loss is 2 per cent., the results of the Development enterprise on housing may be said to give *minus* 6 per cent., a very deplorable position indeed.

CONCLUSION

79. I summarise the conclusions drawn by me, as under :—

1. The method of calculating deficits for one room tenements was faulty and the next census proved it to be wrong.
2. It was on this wrong representation that the Council sanctioned the cotton cess duty.
3. Government created a brand new Department without any tradition, instead of using existing machinery or local bodies.
4. Departmental work by the Development in their building chawls must have been very costly, but no figures appear to have been kept.
5. There were various errors in arranging work of building and the procedure in placing contracts was open to criticism.
6. The design was unsatisfactory and unpopular.
7. The location of the chawls was to suit the areas which were available from the Improvement Trust and not the actual needs of the people. It was fixed regardless of considerations either of cost or of facilities of transport.
8. The cost per tenement rose from Rs. 1,100 to Rs. 2,587, raising the rent which would cover this cost, to a point far beyond the capacity of the working class in spite of the subsidy of about eight rupees per month per room from the cotton cess.
9. The total expenditure on tenements, which should have been according to the old estimate Rs. 1,81,98,400, rose to Rs. 4,28,00,000, but the Department has written down the interest charges during construction from the cotton cess and has shown the capital cost at Rs. 3,42,72,000.
10. The deficit reckoned on the old estimate for 50,000 tenements was Rs. 13,00,000, *i.e.*, for 16,544 tenements it should be Rs. 4,30,144. The actual deficit during the last year accepted by the Department has been 21½ lakhs and as shown by me in paragraph 62 this 21½ lakhs is an under-estimate.
11. The rent should be fixed within the reach of the working classes and so as to induce them to leave the slums and occupy the better houses. They should be for—

	Rs.
Worli	3
Naigaum	5
DeLisle Road	6
Sewri	6

12. The management of the chawls at the hands of the Department was not efficient. The vacancies were from 46·8 to 94·7 per cent. and arrears of rent actually due exceeded 16 per cent. which must be regarded as very unsatisfactory.
13. The management of the chawls should be taken away from the Development Department and should be given over to the Improvement Trust now working under the Bombay Municipality.
14. An expert estimate should be secured giving the replacement value of the chawls on present basis and interest and other charges should be reckoned only on this figure. The balance estimated by me, which

would be 2¼ crores, should be written down in the same way as losses from the Back Bay Reclamation Scheme have been written down by the provision of so many lakhs a year for sixty years. My estimate is that this would amount to something between ten to fifteen lakhs a year from taxation for the next sixty years and this contribution would be towards the dead loss in addition to the contribution, which Government would still make in order to bring in the rents within the reach of the working classes.

MANU SUBEDAR.

19th July 1926.

APPENDIX A

In addition to the Back Bay Reclamation Scheme, the Directorate have undertaken 8 City Schemes and 20 Suburban Schemes. Expenditure has actually been incurred on several of those Schemes but without a regular sanctioned project estimate, though individual works forming part of the scheme have received proper sanction. This was specially brought to the notice of Government who have promised that the approximate figures adopted for each scheme will be communicated shortly.

2. It may be pointed out that the eight sanctioned schemes including the Back Bay Reclamation Scheme, which is expected to be sanctioned shortly, are all considered to be financially sound.

Bombay Development Works

The following irregularities are brought to notice.

Insufficient attention to financial interests.—While submitting certain revised estimates for the sanction of Government, a Superintending Engineer reported that in one case the excess was due to the collapse of a structure already built. A further enquiry into the matter brought to light the following facts :—

(I) The collapse was due to carelessness and neglect of the Assistant Engineer in charge, as
  (*a*) Excavation was carried out for foundations without regard to the nature of the soil.
  (*b*) The maximum amount of excavation was 1 foot only and there were only 6 inches of lime concrete underneath the walls.
  (*c*) The plinth masonry was built in mud instead of in lime.

(II) The work was not supervised by any Senior Officer as there was no Executive Engineer and the Superintending Engineer in charge of the Division considered that a senior Assistant Engineer should be able to carry out the construction of ordinary bungalows without superior supervision.

Pay of establishment charged to works.—With a view to effect economy, the menial staff in an Executive office was reduced by three. The Executive Engineer however engaged four men instead by charge to " works " and the irregularity was noticed when the Muster roll was received in the Audit office for audit before payment. The Executive Engineer on being asked to explain the same stated that he had done it under instructions from the Superintending Engineer. The matter was brought to the notice of Government who agreed that the action was irregular and in contravention of the Code of Rules but merely directed that the services of the men engaged should be dispensed with at once.

Paragraph 30.—Here an irregular procedure was adopted in order to frustrate the economy intended by the higher authority. I see no hope of any regard for financial rule if orders issued by superior authority in the interest of economy are deliberately defied by an officer of the status of a Superintending Engineer.

Purchase of materials in anticipation of requirements.—A Superintending Engineer in charge of the general stores of the depot purchased teakwood costing Rs. 5,917-5-0 in anticipation of requirements by debit to " Stock " and failed to take necessary action for its utilisation with the result that the same kind of wood was purchased by other officers of the Department in spite of the quantity in stock. Eventually after two years, the Superintending Engineer found this stock of wood surplus and unnecessary and sold it for Rs. 2,206-13-0, thus incurring a loss of Rs. 3,710-8-0 in addition to the interest charges on the unnecessary expenditure.

Manipulation of accounts to avoid audit objections.—An Executive Engineer incurred in February 1923 expenditure amounting to Rs. 9,179-1-0 on a work knowing that there were no funds to cover the same and with a view to avoid an audit objection debited it in the first instance to another work where there were savings. Subsequently when the funds were found available the expenditure was written back to the work for which it was actually incurred.

Misappropriation of public money.—While checking the bill books of Chawl rents, on transfer of the maintenance of the accounts in respect thereof to the Development audit office in November 1924 it was noticed that rents collected by the rent collectors were not credited to the Government accounts in some cases. The matter was promptly reported to Government and on a detailed investigation it was found that a sum of Rs. 1,033-15-6 had been misappropriated. Out of this amount a sum of Rs. 141-11-6 was misappropriated by persons who were no longer in the service of Government, and for the balance, *viz.*, Rs. 892-4-0 the persons concerned admitted their responsibility for Rs. 143-8-0 only and this amount was under the orders of Government recovered from their dues. The recovery of the remainder had to be foregone.

APPENDIX B

(As calculated by the Department)

Bombay Industrial Housing Scheme

Item No.	Particulars	Naigaum plot A	Naigaum plot B	DeLisle Road	Worli
	Particulars of scheme				
1	Number of chawls	19	23	33	163
2	Number of tenements	1,520	1,840	2,640	13,040
	Capital cost	Rs.	Rs.	Rs.	Rs.
3	Land	4,22,799	6,52,220	14,23,000	39,21,000
4	Chawls including sanitary fittings ..	20,52,000	20,24,000	33,81,000	1,46,84,000
5	Roads, drainage, water supply, etc. ..	1,94,000	2,18,630	5,40,948	30,90,770
6	7½ per cent. on items 4 and 5 for establishment	1,68,450	1,68,197	2,94,144	13,33,107
7	Total outlay	28,37,249	30,63,047	56,39,092	2,30,28,877
8	*Interest during construction at 7 per cent. on item 7, for one year, allowing two years for completion per chawl* ..	1,98,607	2,14,413	3,94,736	16,12,021
9	Total capital cost	30,35,856	32,77,460	60,33,828	2,46,40,898
	Interest and sinking fund				
10	Interest at 6 per cent. on item 9 ..	1,82,151	1,96,647	3,62,029	14,78,454
11	Sinking fund at 0·35 per cent. on item 4	7,182	7,084	11,833	51,394
12	Total interest and sinking fund ..	1,89,333	2,03,731	3,73,862	15,29,848
	Net rent				
13	Nett monthly rent to cover cost item 12/12	15,778	16,978	31,155	1,27,487
14	Nett monthly rent per tenement item 13/2	10·38	9·23	11·80	9·78
	Outgoings				
15	Fixed charge for repairs and management (see note "a")	2·00	2·00	2·00	2·00
16	Total items 14 and 15	12·38	11·23	13·80	11·78
	Economic rent				
17	Allowing 16 per cent. of gross rent for variable charges (see note "b") the economic rent is (item 16) × 100/84..	14·74	13·37	16·43	14·02

(*a*) Pending actual experience, the figure has been arrived at by taking repairs at 1 per cent. of works costs, items 4 and 5 of the table, for repairs, to which has been added the estimated cost of management, *i.e.*, establishment and sanitary stores. The result is Rs. 2 per tenement per mensem very nearly.

(*b*) *Variable charges.*—

Taxes	Per cent.
General tax 8/10ths* of 11 per cent.	8·8
Fire Tax	·5
Water tax	3·75
Halalkhore Tax	3·00
	16·05
9/10ths† of 16·05 per cent.=14·445 per cent. or say ..	14·45
Vacancies, bad debts and insurance	1·55
Total ..	16·00

* Section 144 (3), Municipal Act.

† Section 154, Municipal Act.

APPENDIX B—*contd.*

Average Economic Rent

Naigaum A	.. .. ..	19 × 14·74	280·06
Naigaum B	.. ..	23 × 13·37	307·51
DeLisle Road	.. ..	33 × 16·43	542·19
Worli ..	.. ..	163 × 14·02	2,285·26
		238	3,415·02

Average economic rent .. $\frac{3,415 \cdot 02}{238}$ = Rs. 14·39

STATEMENT ON THE PRINCIPAL STATEMENTS MADE IN THE MINORITY REPORT BY MR. MANU SUBEDAR

(Mr. Manu Subedar's report is very long and only the principal statements in it, which are erroneous and are likely to cause serious misapprehension, are dealt with.)

Unsuitability of the Development chawls

2. Mr. Manu Subedar alleges that the chawls are unsatisfactory in design, generally unsuitable for the housing of the industrial classes and therefore unpopular. He has summarised, in paragraph 20 of his report, the points on which the design of the rooms has been criticised. The earlier chawls erected evoked some criticism on account of the fixed sunshades which rendered the rooms rather dark, but these have, long since, been removed and all the chawls are now provided with windows of normal shuttered type. All rooms are also now provided with *nahanis*. As regards the suitability generally of the chawls, it is sufficient to quote the opinion of the majority of the Special Advisory Committee as recorded in paragraph 15 of their report :—" We have inspected the chawls and are of opinion that as now modified they afford exceedingly good accommodation for the class for which they are intended. We are also of opinion that, except for the initial dampness common to all new buildings, there is no foundation for the allegations that the buildings are unhealthy by reason of their design or the materials used in construction..... " That these facts are becoming better understood and known is shown by the increase of tenants in all chawl areas from 2,800 to 5,200 during the year 1926. Mr. Subedar's criticisms must be read in the light of the anxious desire which he expresses in paragraphs 68-70 of his report to get all the chawls completely filled.

Accessibility of chawls

3. The comments of Mr. Manu Subedar as regards the location and accessibility of the chawls contained in paragraphs 21 and 24 of his report, appear to ignore the actual facts. Sites were selected in the *best* areas where land was *available*. The plan appended to the report shows the position of the chawl sites in relation to the mills. The great majority of the mills are within a mile of one or other of the chawl sites. The majority of the Committee state, in paragraph 15 of their report, that the areas are unusually healthy and that, on the whole, no better locations could have been selected.

Storm-water drain at Worli

4. With regard to Mr. Manu Subedar's reference in paragraph 22 of his report to the proximity of the storm-water drain near the Worli chawl area and the nuisance caused thereby Government propose to take up the question with the Bombay Municipality for taking steps to mitigate the nuisance. It is, however, a fact that chawls have been voluntarily occupied in the immediate vicinity of the storm-water drain by tenants who for various reasons prefer to reside in this locality.

Water-supply

5. The difficulties regarding water-supply to the chawls, mentioned in paragraphs 23 and 45 of Mr. Manu Subedar's report, have since disappeared and pumping is no longer required at Naigaum, Worli and Sewri chawl areas which get direct water from the Municipal mains. At DeLisle Road pumping is still done owing to low pressure in the municipal main there, but it is expected that from April next the pressure will increase sufficiently to provide an adequate water-supply and permit of pumping being stopped there also. The water-supply is everywhere satisfactory.

Amenities generally

6. Mr. Manu Subedar refers, in paragraph 25 of his report, to the lack of schools and other social amenities in the chawl areas. It may be pointed out that an area cannot be created with all amenities ready made. Amenities generally are being provided very fast, and at Worli, the area most complained of, all the most urgent, namely, roads, water-supply, lighting, schools, infants welfare centre, shops and police protection are already in existence. A market is ready to be opened and only awaits a license from the Municipality. The Municipality have promised a dispensary in due course at Worli and when the Mahalaxmi overbridge, now under construction, is complete, communications will be greatly improved.

The Advisory Committee have, in paragraph 12 of their report, brought the question of providing better police protection to the notice of Government and the question of proceeding with the police accommodation scheme at Worli will receive further consideration.

Alteration in the original design of the chawls

7. Mr. Manu Subedar's insinuations in paragraph 33 of his report are calculated to mislead the public. Government gave a full reply to Mr. G. B. Trivedi in the Legislative Council on 5th March 1923 on the question of the acceptance of Major Gammon and Company's tender, which will be found on pages 661 and 662, Volume VIII, Part III, Bombay Legislative Council Debates, 1923. As stated in the Government reply, it is not true that Major Gammon and Company were permitted to make their own designs in place of old ones on which tenders were invited. The designs were altered in the interests of economy under the Superintending Engineer's orders and supervision. The floor beams, etc., were re-designed to withstand a total load of 85 lbs. per square foot as against the 120 lbs. per square foot as allowed up to then for other chawls in Bombay. This resulted in a considerable saving in steel.

Messrs. Gammon and Company offered to make the plans of floor and beam reinforcements since the Superintending Engineer's office was full up with work and they did not want their operations delayed. This they were allowed to do after all calculations, spacing of bars, etc., were passed by the Superintending Engineer.

A few tenders were accepted on the old design ; the difference between the lowest tenders on old and new designs showed approximately a sum of Rs. 4,500 per chawl in favour of the new design.

Writing off of interest during construction of the chawls against the Cotton Cess

8. With reference to Mr. Subedar's remarks in paragraph 42 on the above subject, the Audit and Accounts Officer, Bombay Development Scheme, originally wrote off interest during the construction of the chawls against the cotton cess on his own initiative. As the question is one of audit—whether it is a revenue charge or capital charge—the course adopted is not questioned by Government, since the operation was fully approved by the Audit and Accounts Officer.

Deficit

9. As regards Mr. Manu Subedar's references in paragraphs 51, 61, 78 and 79 of his report to the deficit on the chawls, the position is as under :—

(*i*) The actual loss (which was met from the accumulated balances from cotton cess receipts) for the year 1925-26 was Rs. 5,42,000 as shown below :—

Receipts		*Expenditure*	
	Rs.		Rs.
Receipts from rent of the chawls	3,50,371	Interest and general charges (repairs, management, etc.) excluding sinking fund charges	26,26,085
Receipts from cotton cess ..	17,33,433		
	20,83,804		
Deficit	5,42,281		
Total ..	26,26,085		

(*ii*) The present rate of loss is estimated to be Rs. 4,34,000 annually on the basis of the reduced rents in force and will be met from the accumulated balances of cotton cess receipts.

(*iii*) If all the chawls were in full use, then, allowing 10 per cent. for vacancies and 4 per cent. for bad debts, the annual loss would amount to Rs. 1,05,000. But till all the chawls are practically filled, the annual loss will be more than this [see sub-paragraphs (*i*) and (*ii*) above].

The loss is diminishing and meantime provincial revenues are not affected as there is a balance at credit of the cotton cess account.

Pre-audit system

10. The pre-audit system as followed in the auditing of the Development Department accounts, which Mr. Manu Subedar criticises in paragraph 53 of his report, has been introduced under the instructions from the Government of India who desired that all the expenditure of the Development Department should be pre-audited. This is the first time that the pre-audit system has been criticised. The only criticism made by Mr. Subedar is that it is something new. It has been adopted in connection with the accounts of the Lloyd Barrage and Canals Construction Scheme (Sukkur Barrage Scheme). Under this system claims upon Government are audited *before* payment by the local Audit Office in accordance with rules framed by the Auditor General in India and sanctioned by the Government of India. The pre-audit is supplemented by a final post-audit of the payments when additional checks are imposed. The advantages of the pre-audit system are undoubted. It enables the Audit Office to detect fraud, technical errors, or errors of principle *before* payment is made. It also ensures double check over claims preferred against Government, since it is not considered as *final* audit, and a post-audit has also to be conducted in the regular way after payment has been made. Further, the pre-audit system enables discrepancies to be settled before payment and thorough and satisfactory investigations can be made into discrepancies, if any, ensuring thereby a safeguard against fraud or over-payments.

Absence of provision for depreciation

11. With regard to Mr. Manu Subedar's observations in paragraph 58 of his report regarding the absence of provision for depreciation, provision for a sinking fund has been made. When there is a sinking fund to extinguish the whole debt, a further provision for depreciation is not defensible, and is not made by other public bodies like the Port Trust or the Bombay Municipality in similar circumstances.

Repairs and Maintenance

12. Mr. Subedar has, in paragraph 60 of his report, compared the provision required for repairs according to the majority report, *viz.*, Rs. 2,07,000 with an amount estimated by the Director of Development, *viz.*, Rs. 3,97,056, while he gives the expenditure in 1925-26 as Rs. 6,83,000. The actual facts are that Rs. 2,07,000 is the estimated cost of *repairs only*, when all chawls are occupied, while the figure of Rs. 3,97,056 is based on an estimate made in 1923 which covered also other expenditure, *viz.*, the cost of the officer in charge of the chawls, his establishment, rent collectors, sanitary inspectors, sweepers, mucadams and sanitary stores. While the chawls are partly vacant, the expenditure is, of course, much less than these estimates. The figure of Rs. 6,83,000, given by Mr. Subedar for 1925-26, appears to include, in addition to all the expenditure just enumerated, the cost of municipal taxes *when all chawls are in use.* This figure has, of course, never been reached, the actual figures in the past having been

	Rs.
1923-24	75,813
1924-25	2,05,619
1925-26	3,26,287

Irregularities

13. Out of the irregularities mentioned by Mr. Manu Subedar in Appendix A to his report, only one—the last under the heading "Misappropriation of public money"—occurred in connection with the Industrial Housing Scheme.

R. D. BELL,
Secretary to the Government of Bombay,
Development Department.

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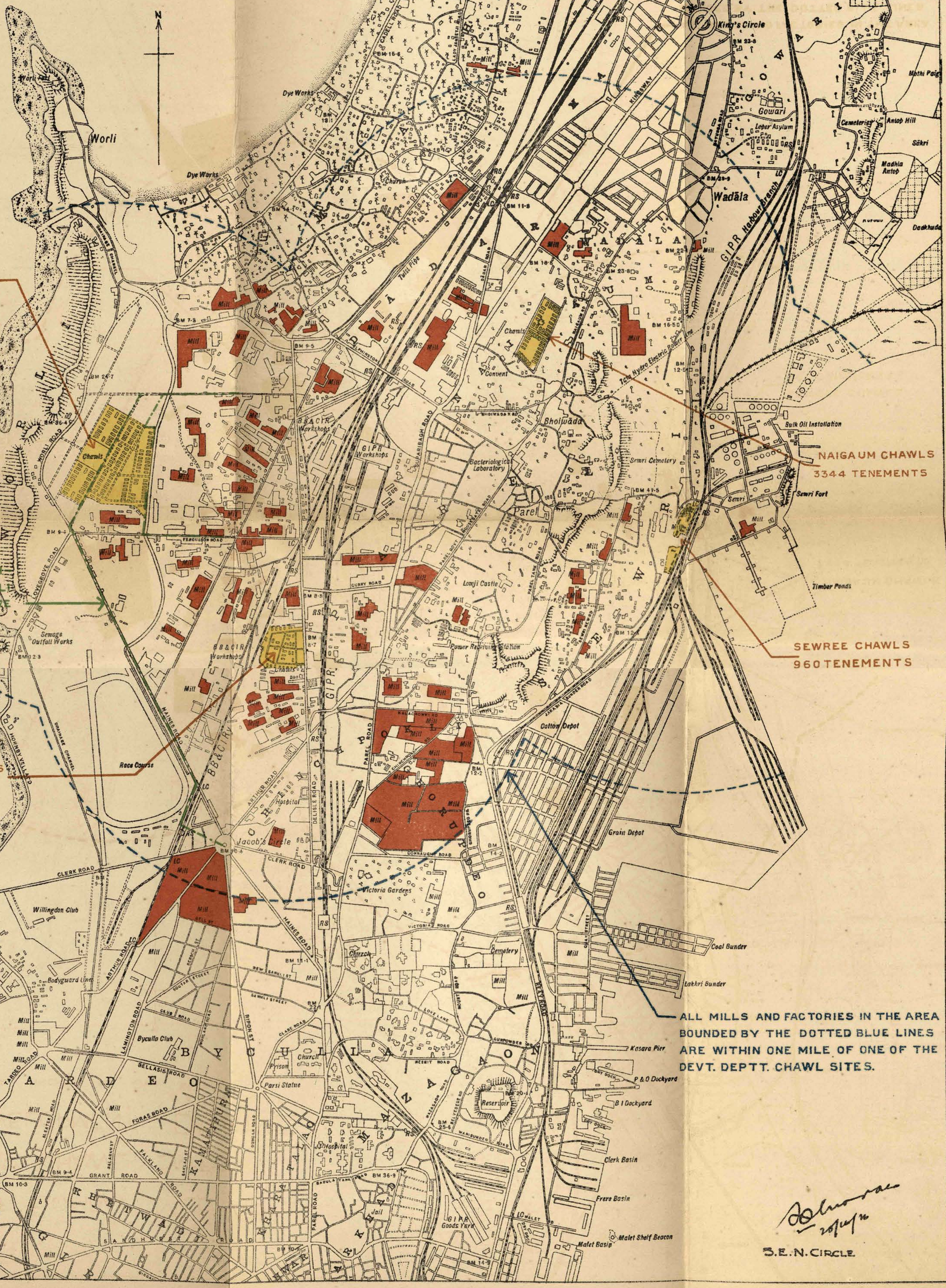
PLAN OF BOMBAY MILL AREA SHEWING CHAWL SITES OF DEVELOPMENT DEPTT.

SCALE FOUR INCHES TO ONE MILE.



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